

Charter Township of West Bloomfield

**Financial Report
with Supplemental Information
December 31, 2015**

Charter Township of West Bloomfield

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Independent Auditor's Report

To the Township Board
Charter Township of West Bloomfield

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate of all remaining fund information of the Charter Township of West Bloomfield (the "Township") as of and for the year ended December 31, 2015 and the related notes to the financial statements, which collectively comprise the Charter Township of West Bloomfield'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 opinion.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate of all remaining fund information of the Charter Township of West Bloomfield as of December 31, 2015 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Township Board
Charter Township of West Bloomfield

Emphasis of Matter

As discussed in Note 14 to the basic financial statements, in 2015, the Township adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. As a result, the government-wide statements and proprietary funds now report the cost of pensions as the employment services are rendered, rather than as they are funded. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

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

Other Information

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

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

Plante & Moran, PLLC

June 15, 2016

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

The management's discussion and analysis (MD&A) of the Charter Township of West Bloomfield's (the "Township") financial performance provides a narrative overview of the Township's financial activities for the fiscal year ended December 31, 2015. The MD&A is meant to be read in conjunction with the Township's financial statements.

Utilizing the Annual Report

The 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 the Township as a whole and present a longer-term view of the Township's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and evaluate whether tax collection supports the full cost of providing government services.

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

Governmental Activities

The governmental activities represent all activities of the Township other than its Water and Sewer Fund (reported as business-type activities) and its fiduciary activities (funds held for the benefit of others, such as pension assets and retiree healthcare assets held for the payment of future employee benefits).

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

The following table shows, in a condensed format, the net position of the governmental activities as of December 31, 2015 and changes in net position, compared to the prior two years:

	2013	2014	2015	Current Year	
				Change	Percent
Assets					
Capital assets	\$ 31,538,688	\$ 32,197,932	\$ 36,086,012	\$ 3,888,080	12.1
Other assets	<u>92,362,618</u>	<u>97,702,603</u>	<u>92,002,997</u>	<u>(5,699,606)</u>	(5.8)
Total assets	123,901,306	129,900,535	128,089,009	(1,811,526)	(1.4)
Deferred Outflows of Resources - Deferred					
outflows related to pension	-	-	6,626,718	6,626,718	-
Liabilities					
Long-term liabilities	45,402,112	42,368,140	62,496,759	20,128,619	47.5
Other liabilities	<u>3,073,143</u>	<u>2,162,889</u>	<u>2,385,095</u>	<u>222,206</u>	10.3
Total liabilities	48,475,255	44,531,029	64,881,854	20,350,825	45.7
Deferred Inflows of Resources	<u>30,022,300</u>	<u>30,615,563</u>	<u>31,378,443</u>	<u>762,880</u>	2.5
Net Position					
Net investment in capital assets	21,016,533	22,765,085	26,712,369	3,947,284	17.3
Restricted	7,694,054	10,637,211	9,253,345	(1,383,866)	(13.0)
Unrestricted	<u>16,693,164</u>	<u>21,351,647</u>	<u>2,489,716</u>	<u>(18,861,931)</u>	(88.3)
Total net position	<u>\$ 45,403,751</u>	<u>\$ 54,753,943</u>	<u>\$ 38,455,430</u>	<u>\$ (16,298,513)</u>	(29.8)

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

	2013	2014	2015	Current Year	
				Change	Percent
Change in Net Position					
Revenue:					
Program revenue:					
Charges for services	\$ 5,733,152	\$ 5,579,827	\$ 5,791,682	\$ 211,855	3.8
Operating grants and contributions	349,409	837,987	397,903	(440,084)	(52.5)
Capital grants and contributions	257,598	5,509,279	1,614,662	(3,894,617)	(70.7)
General revenue:					
Property taxes	30,465,916	30,978,293	31,334,792	356,499	1.2
State-shared revenue	4,809,030	5,028,131	5,032,021	3,890	0.1
Investment earnings	278,306	919,048	341,418	(577,630)	(62.9)
Franchise fees	1,260,308	1,313,499	1,384,598	71,099	5.4
Other miscellaneous income	605,417	1,841,546	583,766	(1,257,780)	(68.3)
Gain on sale of capital assets	1,078	-	-	-	-
Total revenue	43,760,214	52,007,610	46,480,842	(5,526,768)	(10.6)
Program expenses:					
General government	6,842,642	7,875,785	6,054,945	(1,820,840)	(23.1)
District Court	1,390,021	1,039,715	988,556	(51,159)	(4.9)
Public safety	31,555,555	30,080,040	30,542,399	462,359	1.5
Public works	836,376	686,586	1,093,417	406,831	59.3
Community and economic development	961,698	1,053,892	995,421	(58,471)	(5.5)
Recreation and culture	307,285	303,312	248,285	(55,027)	(18.1)
Interest on long-term debt	887,220	1,618,088	1,574,391	(43,697)	(2.7)
Total program expenses	42,780,797	42,657,418	41,497,414	(1,160,004)	(2.7)
Excess of Revenue Over Expenses	979,417	9,350,192	4,983,428	(4,366,764)	(46.7)
Transfers	-	-	-	-	-
Change in Net Position	\$ 979,417	\$ 9,350,192	\$ 4,983,428	\$ (4,366,764)	(46.7)

The Township's governmental net position decreased approximately \$16,300,000 from a year ago (from \$54.8 million to \$38.5 million) mainly due to a restatement of net position of \$21,281,941 from GASB 68.

Total property tax revenue increased \$356,000 in 2015 due to new construction, the inflation rate multiplier, and uncappings resulting from transfers of ownership. Total expenses decreased overall by \$1.2 million in 2015.

Cornerstone Municipal Advisory Group is the Township's current benefits consultant. Cornerstone's team, which includes Affordable Care Act (ACA) compliance officers, assisted in contract negotiations for identifying a new benefits plan that is ACA compliant. In 2014, the Township ratified three-year collective bargaining agreements with seven unions, which will expire on December 31, 2017. Concessions were gained, while a competitive benefits package was offered. The Township remains in a competitive position for attracting talented candidates for future employment opportunities.

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

Fund Balance

The total fund balance for 2015 increased by \$1.3 million. The fund balance for the General Fund increased by \$1.5 million; the fund balance for the Public Safety Fund decreased by \$31,000, and the nonmajor funds decreased by \$221,000. This is primarily explained by 1) conservative spending; 2) budgeting for the worst case scenario in connection with change from monthly to bi-monthly BCBS payments; and 3) unanticipated increases in revenue due to higher interest rate on benefit bonds.

Cost Containment Efforts

The Township has achieved several long-term cost containment advancements with benefit bonds, automation, and collective bargaining. The Township is utilizing a 10-year Financial Projection Model to budget the repair and rehabilitation of several crucial major road thoroughfares

Standard & Poor's Bond Rating Evaluation, Benefit Bonds, and Pension Changes

Three Standard & Poor's bond rating calls were conducted in 2013, reaffirming the AA+ rating. This rating has been achieved primarily through the development and practice of regularly updating a 10-year financial projection model and cost-cutting measures.

This rating provided the opportunity for the Township to take advantage of new benefit bond legislation, Public Act 329, signed by the governor in October 2012. The legislation is aimed at bonding unfunded pension and other postemployment benefits (OPEB) liability for closed pension and retiree healthcare programs.

The bonded amount is based upon actuarial calculations of closed plans. As a result of prior contract negotiations, new hires in general township unions and non-unions are not eligible for a defined benefit, thereby "closing" the program.

In 2013, the board of trustees unanimously approved the sale of \$9.2 million in pension obligation bonds and \$21.9 million in other postemployment benefit (OPEB) bonds.

The primary objective in applying to the State Treasury for benefit bonds was to fund the entire closed portion of the pension liability, to fund 70 percent of the OPEB liability and stabilize long-term expenses, and create more financial stability.

Supplemental retiree healthcare evaluations have been obtained, which demonstrated a reduction of over \$500,000 in 2014, and an additional reduction of approximately \$580,000 in 2015 and 2016, for the annual required employer contribution from the General Fund.

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

Business-type Activities

The Township's business-type activities consist of the Water and Sewer Fund. The following table shows, in a condensed format, the net position of the business-type activities as of December 31, 2015 and changes in net position compared to the prior two years. Business-type net position (the Water and Sewer Fund) decreased \$1.7 million from the prior year due to a decrease in consumption, a minimal increase in rates, and the restatement of net position for GASB 68 by a decreased amount of \$1,800,000.

	2013	2014	2015	Current Year	
				Change	Percent
Assets					
Capital assets	\$ 112,677,303	\$ 113,020,552	\$ 112,583,601	\$ (436,951)	(0.4)
Other assets	<u>29,247,375</u>	<u>25,877,054</u>	<u>26,340,862</u>	<u>463,808</u>	1.8
Total assets	141,924,678	138,897,606	138,924,463	26,857	0.0
Deferred Outflows of Resources - Deferred					
outflows related to pension	-	-	73,686	73,686	-
Liabilities					
Long-term liabilities	15,304,521	16,447,959	16,754,630	306,671	1.9
Other liabilities	<u>4,191,411</u>	<u>2,212,981</u>	<u>3,670,310</u>	<u>1,457,329</u>	65.9
Total liabilities	19,495,932	18,660,940	20,424,940	1,764,000	9.5
Deferred Inflows of Resources - Deferred					
inflows related to pension	-	-	117,984	117,984	-
Net Position					
Net investment in capital assets	97,515,042	96,666,413	96,166,350	(500,063)	(0.5)
Restricted	4,773,425	3,789,292	1,702,894	(2,086,398)	(55.1)
Unrestricted	<u>20,140,279</u>	<u>19,780,961</u>	<u>20,585,981</u>	<u>805,020</u>	4.1
Total net position	<u>\$ 122,428,746</u>	<u>\$ 120,236,666</u>	<u>\$ 118,455,225</u>	<u>\$ (1,781,441)</u>	(1.5)
Changes in Net Position					
Charges for services	\$ 20,802,265	\$ 20,012,208	\$ 22,692,741	\$ 2,680,533	13.4
Operating expenses exclusive of depreciation	20,269,579	20,201,533	20,512,997	311,464	1.5
Depreciation	<u>2,487,029</u>	<u>2,540,834</u>	<u>2,555,609</u>	<u>14,775</u>	0.6
Operating Loss	(1,954,343)	(2,730,159)	(375,865)	2,354,294	(86.2)
Nonoperating (Expense) Income	(188,991)	141,469	183,840	42,371	30.0
Capital Contributions	604,723	396,610	213,082	(183,528)	(46.3)
Transfers	-	-	-	-	-
Change in Net Position	<u>\$ (1,538,611)</u>	<u>\$ (2,192,080)</u>	<u>\$ 21,057</u>	<u>\$ 2,213,137</u>	(101.0)

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

The Township continues to invest in needed improvements to the long-term infrastructure of the water and sewer department. In 2014, the department worked with J&A Engineering to develop the first 20-year Water System Master Plan and 20-year Sanitary Sewer System Master Plan. Some of the key components from these plans include the selection of 12 water main replacement projects; eight miles of various segments of aged sanitary sewer mains using trenchless technology for underground piping of new sewer main lining; and the replacement and upgrade of the three primary and largest of all 23 total sanitary sewer lift station pumping facilities.

Township Funds

The fund financial statements provide detailed information about the most significant funds, not the Township as a whole. The Township board creates funds to help manage money for specific purposes, as well as to show accountability for certain activities, such as special property tax millages. The Township's major funds for 2015 include the General Fund and the Public Safety Fund.

The General Fund pays for most of the Township's governmental services. The most significant are general government and the District Court. In previous years, the activity of the police and fire departments was recorded between both the General Fund and the Public Safety Fund. In an effort to more accurately depict the activity for public safety, all activity is now recorded exclusively in the Public Safety Fund.

The General Fund is supported by state-shared revenue and general property tax revenue. The Public Safety Fund is supported by a combination of the special-voted millage for police and fire services as well as the Township's general operating millage.

General Fund Budgetary Highlights

The Township board of trustees approved a 2015 budget with 40 funds. The estimated General Fund revenue totaled \$23.7 million, with estimated appropriations in the amount of \$22.5 million. The Public Safety Fund estimated total revenues and expenditures balanced at \$30.6 million.

Capital Asset and Debt Administration

At the end of 2015, the Township had approximately \$149 million invested in a broad range of capital assets, including buildings, bike paths, police and fire equipment, and water and sewer lines.

Charter Township of West Bloomfield

Management's Discussion and Analysis (Continued)

On April 22, 2013, the board of trustees adopted a special assessment district policy for road rehabilitation projects on secondary roads. The Township understands the value of maintaining secondary roads and how this correlates with maintaining the integrity of neighborhoods and home values. Since townships do not own and maintain any roadways, and the Road Commission for Oakland County prioritizes the maintenance of major road thoroughfares, an increasing number of subdivision associations are pursuing special assessment districts for the reconstruction of subdivision streets. The Township has been in a financial position to fund several special assessment districts, thereby saving each household approximately \$1,000 of bond issuance cost.

Some large and complex projects completed in 2015, and projects planned for 2016-17 are as follows: (1) Foxpointe Roadway Improvement Project; (2) continued safety path projects; (3) The Manor Homes of Aldingbrooke Roadway Improvement Project; (4) Putnam bridge replacement project; (5) Maple Road widening project from Orchard Lake Road to Haggerty Road; (6) Maple Place Roadway Improvement Project; (7) Stonebridge Roadway Improvement Project; (8) Chimney Hill Roadway Improvement Project; (9) Willow Farms Stormwater Management project; (10) Maple Road and Orchard Lake Road intersection improvements; and (11) Heron Drain.

Grounds and Maintenance Projects and Energy Efficiency

Infrastructure has been a priority of the Township in recent years. Currently, the Township is reaping quantifiable benefits of reduced utility costs due to the completion of energy efficiency projects (utilizing energy efficiency community block grant funding) including: (1) high efficiency boiler system; (2) electronic control system; (3) furnace replacement; (4) radiant heat fixtures in fire stations and the water and sewer facility; (5) fluorescent lighting; (6) occupancy sensors; and (7) window tinting, caulking, and weather stripping. These improvements will continue to benefit the Township for years to come.

In 2015, the Township adopted a Capital Improvement Project planning system (involving a committee which utilizes a prescribed rating system for the evaluation of all project submissions) and has rated and ranked the following projects: 1) demolition and reconstruction of Fire Station #3 estimated at \$3 million; 2) insulation and infrastructure improvements at Fire Station #9 totaling \$47,000; 3) replacement of 26-year old generators at Town Hall and the Police Station totaling \$435,000; 4) replacement of 20-year old phone system to a Shortel phone system estimated at \$237,000; 5) Town Hall Security upgrades of internal/external wiring and cameras, doors, security film, estimated at \$261,000; 6) additional Town Hall and Public Safety Capital Improvement Projects have been rated, ranked, and budgeted totaling \$1.7 million.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the Township's finances and to demonstrate accountability for the money it receives. Feel free to direct any questions about this report to the Township supervisor, Michele Economou Ureste, at (248) 451-4813.

Charter Township of West Bloomfield

Statement of Net Position December 31, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 47,677,344	\$ 17,011,661	\$ 64,689,005	\$ 397,926
Receivables (Note 4):				
Property taxes receivable	13,885,199	-	13,885,199	-
Customer receivables	-	5,786,715	5,786,715	-
Accrued interest receivable	71,419	38,504	109,923	447
Other receivables	2,261,957	8,845	2,270,802	176,599
Due from other governmental units	1,050,378	228,971	1,279,349	-
Lease receivable	3,966,003	-	3,966,003	-
Special assessments receivable	3,326,985	-	3,326,985	-
Due from component units	12,538	-	12,538	-
Internal balances	(26,578)	26,578	-	-
Inventory	-	207,065	207,065	-
Prepaid expenses and other assets	221,697	13,781	235,478	-
Restricted assets (Note 8)	-	1,606,133	1,606,133	-
Capital assets (Note 5):				
Assets not subject to depreciation	5,137,072	5,181,883	10,318,955	-
Assets subject to depreciation	30,948,940	107,401,718	138,350,658	783,503
Net OPEB asset (Note 12)	19,556,055	1,412,609	20,968,664	-
Total assets	128,089,009	138,924,463	267,013,472	1,358,475
Deferred Outflows of Resources -				
Related to pension (Note 10)	6,626,718	73,686	6,700,404	-
Liabilities				
Accounts payable	1,068,694	3,526,375	4,595,069	32,518
Due to other governmental units	1,497	-	1,497	-
Due to primary government	-	-	-	12,538
Accrued liabilities and other:				
Accrued salaries and wages	724,013	23,635	747,648	-
Accrued interest payable	280,754	104,408	385,162	-
Other accruals	254,408	15,892	270,300	-
Unearned revenue	55,729	-	55,729	-
Noncurrent liabilities (Note 7):				
Due within one year:				
Compensated absences	156,581	12,615	169,196	-
Current portion of long-term debt	2,806,303	848,780	3,655,083	-
Due in more than one year:				
Compensated absences (Note 7)	1,282,862	70,617	1,353,479	-
Provision for claims	457,301	-	457,301	-
Net pension liability (Note 10)	22,047,675	254,147	22,301,822	-
Long-term debt (Note 7)	35,746,037	15,568,471	51,314,508	-
Total liabilities	64,881,854	20,424,940	85,306,794	45,056

Charter Township of West Bloomfield

Statement of Net Position (Continued) December 31, 2015

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Deferred Inflows of Resources				
Property taxes levied for the following year (Note 4)	\$ 31,378,443	\$ -	\$ 31,378,443	\$ -
Deferred inflows related to pension (Note 10)	-	117,984	117,984	-
Total deferred inflows of resources	31,378,443	117,984	31,496,427	-
Net Position				
Net investment in capital assets	26,712,369	96,166,350	122,878,719	783,503
Restricted for:				
Public safety	1,920,447	-	1,920,447	-
Drug enforcement	1,369,444	-	1,369,444	-
Drains at large	153,374	-	153,374	-
Special assessments	1,389,092	-	1,389,092	-
Safety paths	3,698,613	-	3,698,613	-
Grants	125,473	-	125,473	-
Other postemployment benefits	596,902	96,761	693,663	-
Nonexpendable - Equity allocable to other governments (Note 1)	-	-	-	56,418
Capital improvement replacement and financing	-	1,606,133	1,606,133	-
Unrestricted	2,489,716	20,585,981	23,075,697	473,498
Total net position	<u>\$ 38,455,430</u>	<u>\$ 118,455,225</u>	<u>\$ 156,910,655</u>	<u>\$ 1,313,419</u>

Charter Township of West Bloomfield

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 6,054,945	\$ 353,734	\$ 96,454	\$ -
District Court	988,556	1,100,886	-	-
Public safety	30,542,399	3,920,899	222,235	-
Public works	1,093,417	338,790	79,214	1,614,662
Community and economic development	995,421	77,373	-	-
Recreation and culture	248,285	-	-	-
Interest on long-term debt	1,574,391	-	-	-
Total governmental activities	41,497,414	5,791,682	397,903	1,614,662
Business-type activities - Water and sewer	23,068,606	22,692,741	-	213,082
Total primary government	<u>\$ 64,566,020</u>	<u>\$ 28,484,423</u>	<u>\$ 397,903</u>	<u>\$ 1,827,744</u>
Component unit	<u>\$ 636,029</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Cable franchise fees				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position - Beginning of year				
Net Position - End of year				

Statement of Activities
Year Ended December 31, 2015

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (5,604,757)	\$ -	\$ (5,604,757)	\$ -
112,330	-	112,330	-
(26,399,265)	-	(26,399,265)	-
939,249	-	939,249	-
(918,048)	-	(918,048)	-
(248,285)	-	(248,285)	-
(1,574,391)	-	(1,574,391)	-
(33,693,167)	-	(33,693,167)	-
-	(162,783)	(162,783)	-
(33,693,167)	(162,783)	(33,855,950)	-
-	-	-	(636,029)
31,334,792	-	31,334,792	-
5,032,021	-	5,032,021	-
341,418	183,840	525,258	1,039
1,384,598	-	1,384,598	692,690
583,766	-	583,766	-
38,676,595	183,840	38,860,435	693,729
4,983,428	21,057	5,004,485	57,700
33,472,002	118,434,168	151,906,170	1,255,719
\$ 38,455,430	\$ 118,455,225	\$ 156,910,655	\$ 1,313,419

Charter Township of West Bloomfield

Governmental Funds Balance Sheet December 31, 2015

	General Fund	Public Safety Fund	Nonmajor Funds	Total
Assets				
Cash and investments (Note 3)	\$ 23,940,003	\$ 11,721,153	\$ 12,016,188	\$ 47,677,344
Receivables:				
Property taxes receivable	4,779,353	8,641,955	463,891	13,885,199
Special assessments receivable	-	-	3,326,985	3,326,985
Accrued interest receivable	58,214	-	13,205	71,419
Other receivables	916,152	1,078,010	237,300	2,231,462
Due from other governmental units	895,515	7,908	146,955	1,050,378
Due from component units	12,538	-	-	12,538
Due from other funds (Note 6)	674,841	-	84,240	759,081
Prepaid expenses and other assets	116,674	104,666	357	221,697
	<u>\$ 31,393,290</u>	<u>\$ 21,553,692</u>	<u>\$ 16,289,121</u>	<u>\$ 69,236,103</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable	\$ 212,163	\$ 235,728	\$ 620,803	\$ 1,068,694
Due to other governmental units	1,497	-	-	1,497
Due to other funds	90,282	525,105	170,272	785,659
Accrued liabilities and other:				
Accrued salaries and wages	94,489	629,453	71	724,013
Other accruals	74,084	176,324	4,000	254,408
Unearned revenue	-	13,146	42,583	55,729
	<u>472,515</u>	<u>1,579,756</u>	<u>837,729</u>	<u>2,890,000</u>
Deferred Inflows of Resources (Note 4)				
Unavailable revenue	1,142,833	328,893	2,880,693	4,352,419
Property taxes levied for the following year	10,818,658	19,512,602	1,047,183	31,378,443
	<u>11,961,491</u>	<u>19,841,495</u>	<u>3,927,876</u>	<u>35,730,862</u>
Fund Balances				
Nonspendable - Prepays	116,674	104,666	357	221,697
Restricted:				
Public safety	-	27,775	1,459,113	1,486,888
Debt service	-	-	624,715	624,715
Safety paths	-	-	3,698,613	3,698,613
Grants	-	-	28,966	28,966
Drug enforcement	-	-	1,369,087	1,369,087
Special assessments	-	-	3,501	3,501
Assigned:				
Capital projects	-	-	4,339,164	4,339,164
Future transfers to public safety	7,133,000	-	-	7,133,000
Unassigned	11,709,610	-	-	11,709,610
	<u>18,959,284</u>	<u>132,441</u>	<u>11,523,516</u>	<u>30,615,241</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 31,393,290</u>	<u>\$ 21,553,692</u>	<u>\$ 16,289,121</u>	<u>\$ 69,236,103</u>

Charter Township of West Bloomfield

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position December 31, 2015

Fund Balances Reported in Governmental Funds	\$ 30,615,241
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	36,086,012
Leases receivable are expected to be collected over several years and are not available to pay for current year expenditures	3,966,003
Accrued interest receivable related to leases receivable is not expected to be collected in the current period and is only recorded at the government-wide level	30,495
The net OPEB assets are not a financial resource and are recorded only at the government-wide level	19,556,055
Special assessment receivables are expected to be collected over several years and are not available to pay for current year expenditures	4,352,419
The net pension liability and deferred outflows are only recorded at the government-wide level	(15,420,957)
Unamortized bond premiums do not represent a claim on the current financial resources and are not reported as fund liabilities	(43,794)
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported as fund liabilities	(38,508,546)
Accrued interest is not due and payable in the current period and is not reported in the funds	(280,754)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(1,439,443)
Other long-term liabilities, such as claims and judgments, do not present a claim on current financial resources and are not reported as fund liabilities	<u>(457,301)</u>
Net Position of Governmental Activities	<u>\$ 38,455,430</u>

Charter Township of West Bloomfield

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances Year Ended December 31, 2015

	General Fund	Public Safety Fund	Nonmajor Funds	Total
Revenue				
Property taxes	\$ 10,798,544	\$ 19,544,402	\$ 991,846	\$ 31,334,792
Licenses and permits	1,342,072	34,620	-	1,376,692
Federal grants	-	13,418	183,367	196,785
State-shared revenue and grants	5,079,850	47,154	71,911	5,198,915
Charges for services	550,772	2,457,142	90,195	3,098,109
Fines and forfeitures	1,021,286	15,084	-	1,036,370
Investment income	223,809	34,124	83,381	341,314
Rental income	240,987	-	-	240,987
Other revenue	1,614,952	300,313	2,399,543	4,314,808
Total revenue	<u>20,872,272</u>	<u>22,446,257</u>	<u>3,820,243</u>	<u>47,138,772</u>
Expenditures				
Current:				
General government	5,200,023	-	-	5,200,023
District Court	988,556	-	-	988,556
Public safety	1,371,500	26,551,303	1,315,073	29,237,876
Public works	181,118	-	5,998,696	6,179,814
Community and economic development	1,017,891	-	-	1,017,891
Recreation and culture	-	-	50,486	50,486
Debt service	779,701	1,657,978	1,989,313	4,426,992
Total expenditures	<u>9,538,789</u>	<u>28,209,281</u>	<u>9,353,568</u>	<u>47,101,638</u>
Excess of Revenue Over (Under)				
Expenditures	11,333,483	(5,763,024)	(5,533,325)	37,134
Other Financing Sources (Uses)				
Face value of debt issue	-	-	1,205,000	1,205,000
Proceeds from sale of capital assets	1,206	26,273	20,151	47,630
Transfers in	29,025	6,974,895	4,152,163	11,156,083
Transfers out	(9,821,280)	(1,269,200)	(65,603)	(11,156,083)
Total other financing (uses) sources	<u>(9,791,049)</u>	<u>5,731,968</u>	<u>5,311,711</u>	<u>1,252,630</u>
Net Change in Fund Balances	1,542,434	(31,056)	(221,614)	1,289,764
Fund Balances - Beginning of year	<u>17,416,850</u>	<u>163,497</u>	<u>11,745,130</u>	<u>29,325,477</u>
Fund Balances - End of year	<u>\$ 18,959,284</u>	<u>\$ 132,441</u>	<u>\$ 11,523,516</u>	<u>\$ 30,615,241</u>

Charter Township of West Bloomfield

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities Year Ended December 31, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ 1,289,764
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	6,504,495
Depreciation expense	(2,145,599)
Net book value of assets disposed of	(470,816)
Revenue is recorded in the statement of activities when earned; it is not reported in the funds until collected or collectible within 45 days of year end	307,100
Special assessment revenue is recorded in the statement of activities when the assessment is set; it is not reported in the funds until collected or collectible within 45 days of year end	(150,458)
Long-term lease receivable from parks and recreation is recorded as revenue of the governmental funds when collected	(31,926)
Bond proceeds provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position	(1,205,000)
Repayment of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	2,749,776
Change in accrued interest payable and other	20,866
Employee sick and vacation pay is recorded in the statement of activities when earned, rather than when used	285,376
Change in general liability claims	10,142
Collection of building authority lease receivable is considered a revenue of the governmental fund, but not at the government-wide level	(440,000)
Change in net other postemployment benefit asset	(440,980)
Change in net pension asset/liability	(1,299,312)
Change in Net Position of Governmental Activities	<u>\$ 4,983,428</u>

Charter Township of West Bloomfield

Proprietary Fund Statement of Net Position December 31, 2015

	Enterprise Fund - Water and Sewer Fund
Assets	
Current assets:	
Cash and cash equivalents (Note 3)	\$ 17,011,661
Receivables	6,063,035
Due from other funds	26,578
Inventory	207,065
Prepaid expenses and other assets	13,781
Total current assets	<u>23,322,120</u>
Noncurrent assets:	
Restricted assets (Note 8)	1,606,133
Capital assets:	
Assets not subject to depreciation	5,181,883
Assets subject to depreciation	107,401,718
Net OPEB asset	1,412,609
Total noncurrent assets	<u>115,602,343</u>
Total assets	<u>138,924,463</u>
Deferred Outflows of Resources -	
Deferred outflows related to pension	73,686
Liabilities	
Current liabilities:	
Accounts payable	3,526,375
Accrued liabilities and other:	
Accrued salaries and wages	23,635
Accrued interest payable	104,408
Other accruals	15,892
Compensated absences (Note 7)	12,615
Current portion of long-term debt	848,780
Total current liabilities	<u>4,531,705</u>
Noncurrent liabilities:	
Compensated absences (Note 7)	70,617
Net pension liability	254,147
Long-term debt (Note 7)	15,568,471
Total noncurrent liabilities	<u>15,893,235</u>
Total liabilities	<u>20,424,940</u>

Charter Township of West Bloomfield

Proprietary Fund Statement of Net Position(Continued) December 31, 2015

Deferred Inflows of Resources -	
Deferred inflows related to pension	\$ <u>117,984</u>
Net Position	
Net investment in capital assets	96,166,350
Restricted:	
Capital improvement replacement and financing	1,606,133
Other postemployment benefits	96,761
Unrestricted	<u>20,585,981</u>
Total net position	<u><u>\$ 118,455,225</u></u>

Charter Township of West Bloomfield

Proprietary Fund Statement of Revenue, Expenses, and Changes in Net Position Year Ended December 31, 2015

	Enterprise Fund - Water and Sewer Fund
Operating Revenue	
Sale of water	\$ 11,587,329
Sewage disposal charges	10,601,666
Interest and penalty charges	422,336
Installation fees	42,219
Other charges for services	39,191
Total operating revenue	22,692,741
Operating Expenses	
Cost of water	8,440,674
Cost of sewage treatment	7,379,246
Distribution and collection	3,175,930
Billing and administrative costs	1,097,073
Depreciation	2,555,609
Total operating expenses	22,648,532
Operating Income	44,209
Nonoperating Revenue (Expense)	
Investment income	183,840
Interest expense	(398,087)
Other nonoperating expenses	(21,987)
Total nonoperating expense	(236,234)
Loss - Before capital contributions	(192,025)
Capital Contributions	
Capital grants	2,491
Special assessments	210,591
Total capital contributions	213,082
Change in Net Position	21,057
Net Position - Beginning of year	118,434,168
Net Position - End of year	<u>\$ 118,455,225</u>

Charter Township of West Bloomfield

Proprietary Fund Statement of Cash Flows Year Ended December 31, 2015

	Enterprise Fund - Water and Sewer Fund
Cash Flows from Operating Activities	
Receipts from customers	\$ 21,609,885
Payments to suppliers	(14,607,570)
Payments to employees	(4,047,361)
Internal activity - Payments to other funds	(68,081)
Other receipts	54,928
	<hr/>
Net cash provided by operating activities	2,941,801
Cash Flows from Capital and Related Financing Activities	
Repayment of capital grants	2,491
Special assessment collections	210,591
Benefit fees	4,078
Proceeds from sales of capital assets	53,795
Purchase of capital assets	(1,306,111)
Principal and interest paid on capital debt	(1,221,216)
	<hr/>
Net cash used in capital and related financing activities	(2,256,372)
Cash Flows from Investing Activities - Interest received on investments	<hr/> 146,505
Net Increase in Cash and Cash Equivalents	831,934
Cash and Cash Equivalents - Beginning of year	<hr/> 17,476,192
Cash and Cash Equivalents - End of year	<u>\$ 18,308,126</u>
Balance Sheet Classification of Cash and Cash Equivalents	
Cash and investments	\$ 17,011,661
Restricted cash	1,296,465
	<hr/>
Total cash and cash equivalents	<u>\$ 18,308,126</u>

Charter Township of West Bloomfield

Proprietary Fund Statement of Cash Flows (Continued) Year Ended December 31, 2015

	Enterprise Fund - Water and Sewer Fund
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating income	\$ 44,209
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation	2,555,609
Changes in assets and liabilities:	
Receivables	(1,027,928)
Inventories	(10,643)
Prepaid and other assets	11,845
Accounts payable	1,499,836
Due to others	(68,081)
Accrued and other liabilities	(63,046)
	<u>\$ 2,941,801</u>
Net cash provided by operating activities	

Noncash Investing, Capital, and Financing Activities - During the year ended December 31, 2015, the Water and Sewer Fund drew down \$888,329 for Oakland Macomb Interceptor Drain Bonds for water and sewer lines.

Charter Township of West Bloomfield

Fiduciary Funds Statement of Fiduciary Net Position December 31, 2015

	Pension and Other Employee Benefits Trust Fund	<u>Agency Funds</u>
Assets		
Investments:		
Cash equivalents	\$ 4,702,539	\$ 9,259,244
Fixed income	56,112,867	-
Mutual funds	93,944,819	-
Real estate	18,999,574	-
Other investments	13,907,931	-
Prepaid expenses and other assets	42,553	-
Total assets	187,710,283	<u>\$ 9,259,244</u>
Liabilities		
Accounts payable	177,830	\$ -
Due to other governmental units	-	8,541,439
Due to primary government	8,053	-
Refundable deposits, bonds, etc.	-	717,805
Total liabilities	185,883	<u>\$ 9,259,244</u>
Net Position Held in Trust for Pension and Other Employee Benefits	<u><u>\$ 187,524,400</u></u>	

Charter Township of West Bloomfield

Fiduciary Funds

Statement of Changes in Fiduciary Net Position - Pension and Other Employee Benefits Trust Fund Year Ended December 31, 2015

	Pension and Other Employee Benefits Trust Fund
Additions	
Investment income:	
Interest and dividends	\$ 3,037,967
Net increase in fair value of investments	187,786
Investment-related expenses	<u>(1,097,021)</u>
Net investment income	2,128,732
Contributions:	
Employer	5,781,092
Employee	<u>695,578</u>
Total contributions	<u>6,476,670</u>
Total additions	8,605,402
Deductions	
Benefit payments	7,860,770
Administrative expenses	<u>119,559</u>
Total deductions	<u>7,980,329</u>
Net Increase in Net Position Held in Trust	625,073
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	<u>186,899,327</u>
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	<u>\$ 187,524,400</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies

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

Reporting Entity

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

Blended Component Units - The Building Authority is governed by a board that is appointed by the Township. Although it is legally separate from the Township, it is reported as if it were part of the primary government because its sole purpose is to finance and construct the Township's public buildings.

Discretely Presented Component Units - The Greater West Bloomfield Cable Communications Commission (the "Commission") is governed by a 12-member advisory board appointed by the Township and three other cities - Sylvan Lake, Keego Harbor, and Orchard Lake Village. The Commission's original annual budget, budget amendments, and non-financial recommendations must be approved by the Township and at least two of the other three cities. The Commission provides valuable community information and coverage for all subscribers on Civic Center TV. It also advises the communities regarding cable-related matters, assists residents with cable issues, and monitors cable providers' compliance with franchise agreements. The Commission meets the fiscal dependency criteria to be classified as a discretely presented component unit of the Township. The Township is entitled to 86.75 percent of the Commission's funds. The remaining portion is reported as restricted - nonexpendable in the Township's statement of net position.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

Jointly Governed Organization - The Township is a participant with Bloomfield Township, the City of Birmingham, and the City of Bloomfield Hills in the operations of the 48th District Court (the "District Court"). The Township advances its allocated share of District Court expenditures and receives a share of the District Court revenue based on relative case load levels. The Township's share of District Court expenditures totaled \$988,556 for the year ended December 31, 2015, and its share of revenue totaled \$983,631. The Township is unaware of any circumstances that would cause an additional financial benefit or burden to the participating governments in the near future. Complete audited financial statements for the District Court can be obtained from the District Court's administrative offices at 4280 Telegraph Road in Bloomfield Township.

Accounting and Reporting Principles

The Township 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.

Report Presentation

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

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

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

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

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

Basis of Accounting

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

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

Revenue is not recognized until it is collected, or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Township considers amounts collected within 45 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, district court fines, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a "deferred inflow."

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

Fund Accounting

The Township accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources - separate funds allow us to show the particular expenditures for which specific revenue was used.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

The various funds are aggregated into three broad fund types:

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund;
- The Public Safety Fund accounts for police and fire activities, and the special millage which supports much of the costs related to those activities.

Proprietary funds include enterprise funds, which provide goods or services to users in exchange for charges or fees. The Township reports the following fund as a “major” enterprise fund:

- The Water and Sewer Fund reports a single enterprise fund, the Water and Sewer Fund. This fund accounts for the purchase of water from Detroit and its distribution to Township water users; it also accounts for the collection of sanitary sewage and its transportation to the Detroit treatment plant.

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

- The Pension and Other Employee Benefits Trust Fund accounts for the activities of the employees' retirement system, which accumulates resources for pension benefit payments to qualified police, fire, and general office employees and the Postretirement Health Care Plan, which accumulates resources to fund the Township's obligation to provide healthcare benefits to retirees.
- The agency funds account for assets held by the Township in a trustee capacity. This includes primarily tax collections on behalf of the other governmental taxing units (county, schools, etc.), developer bonds and deposits, and amounts held for the Parks and Recreation Commission. Agency funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

Interfund Activity

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

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

Specific Balances and Transactions

Bank 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. Investment income from pooled investments is generally allocated to each fund using a weighted average method.

Receivables and Payables - In general, outstanding balances between funds are reported as "due from/to other funds." Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as "advances to/from other funds." Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances."

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

Restricted Assets - Customer assessments (connection fees, transmission, and capital charges) collected by the Water and Sewer Fund have been restricted for future debt service payments and capital costs, in accordance with Township ordinance. In addition, assets held at Oakland County are legally restricted for payment of debt and additional capital projects.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial individual cost of more than \$4,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Capital Asset Class	Lives
Water and sewer distribution systems	25 to 75 years
Building and building improvements	40 to 50 years
Land improvements	20 to 25 years
Bike path	20 to 25 years
Vehicles	3 to 5 years
Office furnishings	20 to 25 years
Other tools and equipment	5 to 10 years

Long-term Obligations - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method; bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as an "other financing source," as well as bond premiums and discounts.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Township has deferred outflows related to pension costs.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Township has three transactions that are reported as deferred inflows: deferred inflows related to pension, property taxes levied for the following year, and revenue that is not collected within 45 days of the end of the year, and therefore, is not available under the governmental fund basis of accounting. Most of the unavailable revenue relates to special assessment receivables, which are generally collected over a 10-year period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The Township also has deferred inflows related to changes in pension allocations between the Township and Parks and Recreation.

Net Position Flow Assumption

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

Fund Balance Flow Assumption

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

Fund Balance Policies

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

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Township board is the highest level of decision-making authority for the government that can 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 only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Property Tax Revenue

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

The Township's 2015 tax is levied and collectible on December 1, 2014 and is recognized as revenue in the year ended December 31, 2015, when the proceeds of the levy are budgeted and available for the financing of operations.

The 2014 taxable valuation of the Township totaled \$3.2 billion, on which taxes levied consisted of 3.3056 mills for operating purposes, 5.9878 mills for police and fire services, 0.1146 mills for drains, and 0.1982 mills for a safety path. This resulted in \$10.5 million for operating, \$19.0 million for police and fire services, \$364,000 for drains, and \$630,000 for a safety path. These amounts are recognized in the respective General and Special Revenue Fund financial statements as tax revenue.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note I - Summary of Significant Accounting Policies (Continued)

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

Other Postemployment Benefit Costs - The Township offers retiree healthcare benefits to retirees. The Township receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the Township reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year.

Compensated Absences (Vacation and Sick Leave) - It is the Township's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. A liability is calculated for a portion of the unused sick and vacation balances, not to exceed specific policy limits. All sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Compensated absences attributable to the governmental activities will be liquidated by the General Fund.

Proprietary Funds Operating Classification - Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue 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 revenue sources of the Water and Sewer Fund and internal service funds are charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 1 - Summary of 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.

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees - The Township oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The Township charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2015 is as follows:

Cumulative shortfall at January 1, 2015		\$ (4,303,368)
Current year permit revenue		1,337,558
Related expenses:		
Direct costs	\$ 884,135	
Estimated indirect costs	591,808	1,475,943
		<u> </u>
Current year shortfall		<u>(138,385)</u>
Cumulative shortfall at December 31, 2015		<u>\$ (4,441,753)</u>

Note 3 - Deposits and Investments

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

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 3 - Deposits and Investments (Continued)

The Pension Trust Fund and Retiree Health Care Fund are also authorized by Michigan Public Act 347 of 2012 to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The Township has designated 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. The Township's deposits and investment policies are in accordance with statutory authority.

Key components of the Township's investment policy include:

- No more than 10 percent of the portfolio may be invested beyond 12 months, except for monies in debt retirement not needed for current debt payments.
- The weighted average maturity of the portfolio shall never exceed one year.
- No more than 20 percent of the portfolio may be invested in each of the following categories of securities: commercial paper, bankers' acceptances, CDARS, and debt obligations which do not bear the full faith and credit of the United States government.
- No more than 50 percent of the total portfolio may be invested in the foregoing instruments at any time.
- No more than 10 percent of the overall portfolio may be invested in the securities of a single issuer, except for securities of the U.S. Treasury.
- No more than 25 percent of the total portfolio may be deposited in any one bank.
- At least 10 percent of the portfolio shall be invested in overnight instruments or in marketable securities which can be sold to raise cash in one day's notice.
- The Township's investments include Pension Obligation Bonds of the Township, which were purchased outside of the investment policy with board approval.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 3 - Deposits and Investments (Continued)

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

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Township's deposits may not be returned to it. The Township does not have a deposit policy for custodial credit risk other than limiting the amount deposited per bank as noted previously. At year end, the Township had \$25,423,538 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk - Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Township's investment policy does not restrict investment maturities, other than commercial paper, which can only be purchased with a 270-day maturity. The Township will minimize the risk that the market value of securities in the portfolio will fall due to the changes in general interest rates by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.
- Ensuring that no more than 10 percent of the portfolio may be invested beyond 12 months, except for monies in debt retirement not needed for current debt payments, and the weighted average maturity of the portfolio shall never exceed one year. Investment maturities shall be scheduled to coincide with projected cash flow needs, taking into account large routine expenditures, as well as considering sizeable blocks of anticipated revenue.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 3 - Deposits and Investments (Continued)

Weighted averages of the Township, pension, and retiree healthcare investments are as follows:

Investment	Fair Value	Weighted Average Maturity (Years)
Primary Government		
Investment pools	\$ 17,376,052	1.33
U.S. Government Agency Securities	22,906,523	1.73
Local government bonds	<u>10,014,846</u>	9.34
Total	<u>\$ 50,297,421</u>	
Fiduciary funds - Investment pools	<u>\$ 62,950,784</u>	6.23
U.S. Government Agency Securities	<u>\$ 15,333,945</u>	1.73

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

Investment	Fair Value	Rating	Rating Organization
Investment pools	\$ 17,376,052	NR	NR
U.S. agency obligations	22,906,523	AA+	S&P
Municipal bonds	10,014,846	AA+	S&P
Fiduciary Funds			
Investment pools	7,180,148	AAA-A3	S&P
	4,446,821	BBB	S&P
	684,126	BB	S&P
Corporate Bond Pools	5,877,830	AAA-A	Fitch
	25,947,337	BBB-B	Fitch
	1,201,896	CCC	Fitch
Government agency securities	15,333,945	Aaa	S&P

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 3 - Deposits and Investments (Continued)

Concentration of Credit Risk - No more than 25 percent of the portfolio may be deposited in any one bank. The Township places no other limits on the amount it may invest in any one issuer. Approximately \$14,800,000 of the Township's investments are in Oakland County, Michigan's Local Government Investment Pool. These investments are approximately 30 percent of the Township's total investments. The Township has determined that this is in compliance with the investment policy, but has reduced the level held at the LGIP for purposes of prudence.

Note 4 - Receivables and Deferred Inflows of Resources

Receivables as of year end for the Township's individual major funds and the nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Public Safety Fund	Nonmajor Funds	Total
Receivables:				
Property taxes receivable	\$ 4,779,353	\$ 8,641,955	\$ 463,891	\$ 13,885,199
Special assessments receivable	-	-	3,326,985	3,326,985
Accrued interest receivable	58,214	-	13,205	71,419
Other receivables	916,152	1,078,010	237,300	2,231,462
Due from other governmental units	895,515	7,908	146,955	1,050,378
Net receivables	<u>\$ 6,649,234</u>	<u>\$ 9,727,873</u>	<u>\$ 4,188,336</u>	<u>\$ 20,565,443</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 4 - Receivables and Deferred Inflows of Resources (Continued)

Governmental funds report deferred inflows of resources in connection with receivables that are not collectible soon enough after the end of the year (45 days) that they are considered to be available to liquidate liabilities of the current period. In addition, property taxes that have been levied on December 1 to support the following year's budget are deferred and recognized in the following year (in both the government-wide and fund-based statements). At the end of the current fiscal year, the various components of deferred inflows of resources are as follows:

	Governmental Funds		
	Unavailable	Subsequent Year Levy	Total
Property taxes levied for 2016 budget	\$ -	\$ 31,378,443	\$ 31,378,443
District Court	230,000	-	230,000
Cell phone tower lease	66,876	-	66,876
Ambulance transport fees	328,893	-	328,893
State-shared revenue	845,957	-	845,957
Special assessments	2,784,186	-	2,784,186
Grants	96,507	-	96,507
Total	<u>\$ 4,352,419</u>	<u>\$ 31,378,443</u>	<u>\$ 35,730,862</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 5 - Capital Assets

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

	Balance January 1, 2015	Reclassifications	Additions	Disposals	Balance December 31, 2015
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 2,063,942	\$ -	\$ 25,544	\$ -	\$ 2,089,486
Construction in progress	1,570,535	(3,344,139)	5,099,098	277,908	3,047,586
Subtotal	3,634,477	(3,344,139)	5,124,642	277,908	5,137,072
Capital assets being depreciated:					
Bike paths	17,069,546	-	-	-	17,069,546
Investment in county roads and drains	7,785,425	3,344,139	116,649	-	11,246,213
Buildings and improvements	14,632,917	-	175,410	52,658	14,755,669
Machinery and equipment	12,670,779	-	1,087,794	634,208	13,124,365
Land improvements	2,490,841	-	-	-	2,490,841
Subtotal	54,649,508	3,344,139	1,379,853	686,866	58,686,634
Accumulated depreciation:					
Bike paths	9,525,057	225,761	400,024	-	10,150,842
Investment in county roads and drains	1,455,730	-	394,522	-	1,850,252
Buildings and improvements	5,747,825	-	310,931	44,019	6,014,737
Machinery and equipment	8,322,597	-	912,962	449,939	8,785,620
Land improvements	1,034,845	(225,761)	127,160	-	936,244
Subtotal	26,086,054	-	2,145,599	493,958	27,737,695
Net capital assets being depreciated	28,563,454	3,344,139	(765,746)	192,908	30,948,939
Net capital assets	\$ 32,197,931	\$ -	\$ 4,358,896	\$ 470,816	\$ 36,086,011
Business-type Activities					
Capital assets not being depreciated:					
Land	\$ 624,406	\$ -	\$ -	\$ -	\$ 624,406
Construction in progress	2,902,642	-	1,654,835	-	4,557,477
Subtotal	3,527,048	-	1,654,835	-	5,181,883
Capital assets being depreciated:					
Water and sewer distribution systems	160,334,557	-	75,277	9,400	160,400,434
Buildings and improvements	1,745,232	-	-	-	1,745,232
Other tools and equipment	2,404,912	-	412,425	217,601	2,599,736
Other improvements	140,289	-	-	13,753	126,536
Subtotal	164,624,990	-	487,702	240,754	164,871,938
Accumulated depreciation:					
Water and sewer distribution systems	52,647,314	-	2,371,851	4,739	55,014,426
Buildings and improvements	1,010,716	-	45,840	7,840	1,048,716
Other tools and equipment	1,362,818	-	133,346	204,296	1,291,868
Other improvements	110,638	-	4,572	-	115,210
Subtotal	55,131,486	-	2,555,609	216,875	57,470,220
Net capital assets being depreciated	109,493,504	-	(2,067,907)	23,879	107,401,718
Net capital assets	\$ 113,020,552	\$ -	\$ (413,072)	\$ 23,879	\$ 112,583,601

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 5 - Capital Assets (Continued)

Component Units	Balance January 1, 2015	Reclassifications	Additions	Disposals	Balance December 31, 2015
Capital assets being depreciated:					
Buildings and improvements	\$ 413,380	\$ -	\$ -	\$ -	\$ 413,380
Machinery and equipment	659,025	-	57,911	-	716,936
Other assets - Intangibles	17,213	-	-	-	17,213
Subtotal	1,089,618	-	57,911	-	1,147,529
Accumulated depreciation:					
Buildings and improvements	26,350	(1,069)	13,084	-	38,365
Machinery and equipment	231,123	1,069	89,656	-	321,848
Other assets - Intangibles	2,110	-	1,703	-	3,813
Subtotal	259,583	-	104,443	-	364,026
Net capital assets being depreciated	830,035	-	(46,532)	-	783,503
Net capital assets	<u>\$ 830,035</u>	<u>\$ -</u>	<u>\$ (46,532)</u>	<u>\$ -</u>	<u>\$ 783,503</u>

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

Governmental activities:

General government	\$ 751,100
Public safety	950,443
Public works	242,191
Community and economic development	3,316
Recreation and culture	198,549
Total governmental activities	<u>\$ 2,145,599</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
General Fund	Nonmajor governmental funds	\$ 149,736
	Public Safety fund	525,105
	Total General Fund	674,841
Nonmajor governmental funds	General fund	84,240
Water and Sewer Fund	Nonmajor governmental funds	20,536
	General Fund	6,042
	Total Water and Sewer Fund	26,578
	Total interfund balances	\$ 785,659
Due to/from Primary Government and Component Units		
General Fund	Cable fund	\$ 12,538

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

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

Interfund transfers reported in the fund financial statements are composed of the following:

Fund Providing Resources	Fund Receiving Resources	Amount
General Fund	Public Safety Fund (1)	\$ 6,974,895
	Other nonmajor governmental funds (2):	
	Capital projects fund	2,767,000
	Other nonmajor funds	<u>79,385</u>
	Total General Fund	9,821,280
Other nonmajor governmental funds	General Fund (3)	29,025
	Other nonmajor governmental funds (3)	<u>36,578</u>
	Total other nonmajor governmental funds	65,603
Public Safety Fund	Capital Projects Fund (nonmajor fund) (2)	<u>1,269,200</u>
	Total	<u>\$ 11,156,083</u>

(1) Transfer to subsidize public safety expenditures

(2) Transfers were for capital improvements

(3) Transfers were to transfer remaining grant funding and special assessment collections back to the appropriate funds

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 7 - Long-term Debt

The Township issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Township. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties, and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the Township is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a re-assessment of the Township) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Description	Amount
Governmental Activities	
<u>General Obligations:</u>	
2013 Capital Improvement Bond, with interest rate ranging from 2.00% to 3.60%, maturing in 2023	\$ 870,000
2013 Health Care Obligation Bond, with interest rate ranging 0.45% to 5.65%, maturing in 2033	18,959,153
2008 Bike Path Improvement Bond, with interest rate ranging from 3.25% to 4.0% maturing in 2020	4,415,000
2008 Bulding Authority Bond for parks and recreation capital improvements with interest rate ranging from 3.5% to 5.0%, maturing in 2021	3,155,000
2013 Pension Obligation Bond, with interest rate ranging from 0.45% to 5.65%, maturing in 2033	7,020,750
Subtotal	<u>\$ 34,419,903</u>
<u>Special Assessment Bonds:</u>	
2015 Special Assessment Bonds for SAD #150, with interest of 3.33%, maturing in 2024	\$ 1,205,000
2008 Special Assessment Bonds for SAD #139 with interest ranging from 5.0% to 5.75%, maturing in 2017	135,000
Subtotal	<u>\$ 1,340,000</u>
<u>Jacobs Drain Bonds</u>	
2013 Jacobs Drain Bonds - General obligation limited tax bonds, with interest ranging from 2.00% to 2.25%, maturing in 2025	<u>\$ 1,354,783</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 7 - Long-term Debt (Continued)

Description	Amount
<u>Tenhill and Walbrook Drain Bonds</u>	
2006 Franklin Subwatershed Drain Drainage District Bonds, with interest ranging from 3.65% to 4.5%, maturing in 2026	\$ 398,692
2008 Franklin Subwatershed Drain Drainage District Bonds, with interest ranging from 6.0% to 7.0%, maturing in 2028	204,638
Subtotal	<u>\$ 603,330</u>
<u>Donahue Drain Bonds</u>	
2010 Donahue Drain Drainage District Bonds, with interest ranging from 2.0% to 4.4%, maturing in 2030	\$ 678,528
<u>Installment Purchase Agreements</u>	
2013 Police Equipment Lease - Purchase Agreement, with interest rate of 6.95%, maturing in 2017	\$ 12,396
2014 Government Equipment Lease - Purchase Agreement, with interest rate 2.75%, maturing in 2017	99,606
Subtotal	<u>\$ 112,002</u>
Total governmental activity debt	<u>\$ 38,508,546</u>

Description	Amount
Business-type Activities	
<u>General Obligations:</u>	
2007 Segment I Drinking Water Revolving Fund - General Obligation limited tax, interest at 2.125%	\$ 561,670
2008 Segment II Drinking Water Revolving Fund - General Obligation limited tax, interest at 2.5% - Project 7218-I	5,604,958
2008 Segment II Drinking Water Revolving Fund - General Obligation limited tax, interest at 2.5% - Project 7254-I	533,224
2013 Pension Obligation Bond, with interest ranging from 0.45% to 5.65%, maturing in 2033	1,489,250
2013 Health Care Obligation Bond, with interest ranging from 0.45% to 5.65%, maturing in 2033	1,315,848
2010 Water Supply Sewage Disposal State Revolving Fund - General Obligation limited tax, interest at 2.5% - Project 5409-I	3,228,610
Subtotal	<u>\$ 12,733,560</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 7 - Long-term Debt (Continued)

Description	Amount
County Contractual Obligations:	
Oakland-Macomb Interceptor Drain Bonds 2010A, State Revolving Fund, interest at 2.5% - Project #5358-01, maturing in 2031	\$ 401,996
Oakland-Macomb Interceptor Drain Bonds 2011 I, State Revolving Fund, interest at 2.5% - Project #5368-01, maturing in 2033	530,939
Oakland-Macomb Interceptor Drain Bonds 2013A, State Revolving Fund, interest at 2.0%, maturing in May 2034	1,126,861
Oakland-Macomb Middlebelt Transport and Storage Tunnel Project Bond 2014, State Revolving Fund, interest at 2.5%, maturing in 2036	1,521,510
Oakland-Macomb Interceptor Drain Bonds 2010B, Economic Development Bonds, interest ranging from 1.45% to 5.90%, maturing in 2030	102,385
Subtotal	<u>\$ 3,683,691</u>
Total business-type activity debt	<u>\$ 16,417,251</u>

Long-term debt activity can be summarized as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Building Authority bonds	\$ 3,595,000	\$ -	\$ 440,000	\$ 3,155,000	\$ 465,000
Bike paths	5,065,000	-	650,000	4,415,000	720,000
Special assessment bonds	250,000	1,205,000	115,000	1,340,000	205,000
Drain District bonds	2,827,797	-	191,155	2,636,642	199,147
Capital improvement bond	970,000	-	100,000	870,000	100,000
Installment purchases	341,166	-	229,164	112,002	83,900
Healthcare obligation bond	19,707,232	-	748,080	18,959,152	752,756
Pension obligation bond	7,297,125	-	276,375	7,020,750	280,500
Total bonds payable	40,053,320	1,205,000	2,749,774	38,508,546	2,806,303
Accumulated compensated absences	1,724,819	1,694,026	1,979,402	1,439,443	156,581
Unamortized bond premiums	52,558	-	8,764	43,794	-
Provision for general liability claims	467,443	715,204	725,346	457,301	-
Total governmental activities	<u>\$ 42,298,140</u>	<u>\$ 3,614,230</u>	<u>\$ 5,463,286</u>	<u>\$ 40,449,084</u>	<u>\$ 2,962,884</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 7 - Long-term Debt (Continued)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type Activities					
State of Michigan Drinking Water Revolving Fund Loan	\$ 7,139,852	\$ -	\$ 440,000	\$ 6,699,852	\$ 450,000
State of Michigan State Revolving Fund Loan	3,403,610	-	175,000	3,228,610	185,000
County contractual obligations	2,895,033	888,329	99,672	3,683,690	102,035
Healthcare obligation bond	1,367,769	-	51,920	1,315,849	52,245
Pension obligation bond	1,547,875	-	58,625	1,489,250	59,500
Total bonds payable	16,354,139	888,329	825,217	16,417,251	848,780
Accumulated compensated absences	155,859	117,936	190,563	83,232	12,615
Total business-type activities	<u>\$ 16,509,998</u>	<u>\$ 1,006,265</u>	<u>\$ 1,015,780</u>	<u>\$ 16,500,483</u>	<u>\$ 861,395</u>

Total interest expense for the year was approximately \$2,040,000. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending December 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 2,806,302	\$ 1,610,911	\$ 4,417,213	\$ 848,779	\$ 455,540	\$ 1,304,319
2017	2,878,555	1,528,408	4,406,963	1,474,111	435,371	1,909,482
2018	2,913,606	1,436,231	4,349,837	1,507,903	399,240	1,907,143
2019	3,069,132	1,331,409	4,400,541	1,217,761	361,478	1,579,239
2020	3,233,413	1,213,091	4,446,504	935,055	330,344	1,265,399
2021-2025	9,101,009	4,808,728	13,909,737	5,060,533	1,261,574	6,322,107
2026-2030	8,445,330	2,879,952	11,325,282	4,370,329	542,945	4,913,274
2031-2035	6,061,199	525,127	6,586,326	1,002,780	72,272	1,075,052
Total	<u>\$ 38,508,546</u>	<u>\$ 15,333,857</u>	<u>\$ 53,842,403</u>	<u>\$ 16,417,251</u>	<u>\$ 3,858,764</u>	<u>\$ 20,276,015</u>

Note 8 - Restricted Assets

The Township's water and sewer ordinances require the proceeds from certain revenue to be segregated and used for capital improvements, replacements, and debt financing (principal and interest debt service). Restricted assets are composed of the following:

	<u>Business-type Activities</u>
Cash and investments	\$ 1,296,465
Customer assessments receivable	299,080
Due from other governmental units	5,664
Assets held by Oakland County	4,924
Total restricted assets	<u>\$ 1,606,133</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 9 - Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The Township has purchased commercial insurance for medical benefit claims and participates in the Michigan Municipal Risk Management Authority risk pool for claims relating to property loss, torts, errors and omissions, and the Michigan Municipal League risk pool for claims relating to employee injuries (workers' compensation). The Township is self-insured for medical benefits provided to employees. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

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

The Township estimates the liability for general claims that have been incurred through the end of the fiscal year, including claims that have been reported as well as those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows:

	2015	2014
Unpaid claims - Beginning of year	\$ 467,443	\$ 736,645
Incurred claims, including claims incurred but not reported, and changes in estimates	715,204	481,172
Claim payments	<u>(725,345)</u>	<u>(750,374)</u>
Unpaid claims - End of year	<u>\$ 457,302</u>	<u>\$ 467,443</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 10 - Pension Plan

Pension Plan Description

Plan Description - The Charter Township of West Bloomfield Employee's Pension System pension board administers the Charter Township of West Bloomfield's Pension Plan - a multi-employer, cost-sharing defined benefit pension plan that provides pensions for all permanent full-time general and public safety employees of the Charter Township of West Bloomfield and the West Bloomfield Township Parks and Recreation Commission. Benefit terms have been established by contractual agreements between the Township and the various employee union representation; amendments are subject to the same process. For nonunion employee groups, the benefit terms were established by the Township board and/or Parks Commission and may be amended by future board/commission actions.

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

Management of the plan is vested in the pension board, which consists of five members - two elected by plan members, one resident trustee appointed by the plan, and the plan supervisor and treasurer, who serve as ex-officio members.

Employees Covered by Benefit Terms - At the December 31, 2015, the following employees were covered by the benefit terms:

Active plan members or beneficiaries currently receiving benefits	204
Inactive plan members entitled to but not yet receiving benefits	51
Active plan members	<u>217</u>
Total employees covered by the plan	<u><u>472</u></u>

Benefits Provided - The Pension Plan provides retirement, disability, and death benefits. Benefit terms are established by labor contracts and the pension plan document and may be amended through collective bargaining of Township board/Parks Commission action.

Benefit terms provide for annual cost of living adjustments to each member's retirement allowance subsequent to the member's retirement date. The annual adjustments are determined by the annual increase or decrease in the Consumer Price Index, not to exceed 3 percent.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 10 - Pension Plan (Continued)

Contributions - Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the pension board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the board of trustees in accordance with the plan charter, union contracts, and plan provisions. For the year ended December 31, 2015, the average active member contribution rate was 3.9 percent of annual payroll and the plan's average contribution rate was 21.5 percent of annual payroll.

Pension Plan Investments - Policy and Rate of Return

Investment Policy - The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its members. It is the policy of the pension board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the pension board's adopted asset allocation policy as of December 31, 2015:

Asset Class	Target Allocation
Domestic equity	35 %
International equity	20 %
Global fixed income	30 %
Alternative investments	10 %
Real estate	5 %
Cash or cash equivalents	- %

Rate of Return - For the year ended December 31, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.3 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 10 - Pension Plan (Continued)

Pension Plan Reserves

In accordance with plan provisions, the following reserves are required to be set aside within the pension plan:

The retiree reserve is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.

The employee reserve is credited as employee contributions are received throughout the year; the plan maintains a record of the amount contributed by each employee. For any employee who terminates before vesting in the pension plan, their balance is returned to them; for those who stay until retirement, the balance is transferred into the retiree reserve.

The employer reserve account is used to account for the residual net position balance in the pension plan after funding the above two reserves.

The balances of the reserve accounts at December 31, 2015 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	\$ 68,104,017	\$ 68,104,017
Employee reserve	5,121,992	5,121,992
Employer reserve	N/A	47,392,395

Net Pension Liability

The components of the net pension liability of the plan at December 31, 2015 were as follows:

Total pension liability	\$ 143,168,959
Plan fiduciary net position	<u>(120,618,404)</u>
Net pension liability	<u>\$ 22,550,555</u>

Plan fiduciary net position as a percentage of the total pension liability 84.2 %

At December 31, 2015, the Township reported a liability of \$22,301,822 for its proportionate share of the net pension liability.

The plan has chosen to use December 31, 2015 as its measurement date for the net pension liability. The December 31, 2015 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of December 31, 2015. The December 31, 2015 total pension liability was determined by an actuarial valuation performed as of December 31, 2014, which used update procedures to roll forward the estimated liability to December 31, 2015.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 10 - Pension Plan (Continued)

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2014	\$ 135,438,182	\$ 120,698,548	\$ 14,739,634
Service cost	2,913,582	-	2,913,582
Interest	10,142,570	-	10,142,570
Differences between expected and actual experience	459,365	-	459,365
Contributions - Employer	-	3,801,652	(3,801,652)
Contributions - Employee	-	695,578	(695,578)
Net investment income	-	1,293,267	(1,293,267)
Benefit payments, including refunds	(5,784,740)	(5,784,740)	-
Administrative expenses	-	(85,901)	85,901
Net changes	7,730,777	(80,144)	7,810,921
Balance at December 31, 2015	<u>\$ 143,168,959</u>	<u>\$ 120,618,404</u>	<u>\$ 22,550,555</u>

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

For the year ended December 31, 2015, the Township recognized pension expense of \$5,074,400. At December 31, 2015, the Township reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 367,972	\$ -
Net difference between projected and actual earnings on pension plan investments	6,098,085	-
Difference in allocations	234,347	(117,984)
Total	<u>\$ 6,700,404</u>	<u>\$ (117,984)</u>

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 10 - Pension Plan (Continued)

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

Years Ending June 30	Amount
2016	\$ 1,640,215
2017	1,640,215
2018	1,640,215
2019	1,640,215
2020	21,560

Actuarial Assumptions - The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.5
Salary increases	4.0 % Average, including inflation
Investment rate of return	7.5 % Net of pension plan investment expense, including inflation

Mortality rates were based on the The RP2000 Mortality Table, projected 20 years.

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that plan contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

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

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 10 - Pension Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of December 31, 2015 for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment note, are summarized in the following table.

Asset Class	Long-term Expected Real Rate of Return
Domestic equity	5.14 %
International equity	5.36 %
Global fixed income	1.47 %
Alternative investments	3.89 %
Real estate	3.78 %
Cash or cash equivalents	0.07 %

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Plan, calculated using the discount rate of 7.5 percent, as well as what the Plan's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

	1 Percent Decrease (6.5%)	Current Discount Rate (7.5%)	1 Percent Increase (8.5%)
Net pension liability of the Plan	\$ 41,277,010	\$ 22,550,555	\$ 6,883,728

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

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 11 - Defined Contribution Pension Plan

The Township provides additional pension benefits to most employees through a defined contribution plan administered by Multivestor. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by Township board resolution and collective bargaining, for general office, general office supervisory, water and sewer employees, department heads, deputies, and elected officials hired after October 10, 2003, the Township contributes 10 percent to 12 percent of employees' gross earnings for those employees not eligible for the defined benefit plan, and 2 percent for those employees (all union and nonunion) hired prior to October 10, 2003 covered under the defined benefit plan. Police and fire collective bargaining groups hired before January 1, 2011 receive a 5 percent contribution. Police and fire collective bargaining groups hired after January 1, 2011 receive a 0 percent contribution. Employees contribute up to 25 percent of their gross earnings to the plan. In accordance with these provisions, the Township contributed \$972,709 and employees contributed \$181,122 for the year ended December 31, 2015.

Note 12 - Other Postemployment Benefits

Plan Description - The Township provides retiree healthcare benefits to full-time employees upon retirement in accordance with labor contracts. As of April 2010, the plan has been closed to general office new hires. The Township includes pre-Medicare retirees and their dependents in its insured healthcare plan, with no contribution required by the participant. Currently, 129 retirees are eligible for postemployment health benefits. The benefits are paid annually from the Postretirement Health Care Fund. The funding policy provides for periodic discretionary employer contributions to the Postretirement Health Care Fund. The Township obtains healthcare coverage through private insurers. This is a single-employer defined benefit plan administered by the Township. The benefits are provided under collective bargaining agreements.

Funding Policy - Retiree healthcare costs are recognized when paid by the Township on a "pay-as-you-go" basis. The Township has no obligation to make contributions in advance of when the insurance premiums are due for payment; however, the Township has been making pre-funding contributions since 2000. In 2015, the Township contributed \$1,979,432 into the prefunded Postretirement Health Care Fund, which was reported in these financial statements as a pension and other employee benefit trust fund type. The fund paid postemployment healthcare premiums of \$2,063,425.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 12 - Other Postemployment Benefits (Continued)

Funding Progress - For the year ended December 31, 2015, the Township has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of December 31, 2013. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 20 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 1,979,432
Interest on the prior year's net OPEB obligation (asset)	(1,606,432)
Less adjustment to the annual required contribution	<u>2,056,864</u>
Annual OPEB cost	2,429,864
Amounts contributed	<u>(1,979,428)</u>
Decrease in net OPEB asset	450,436
OPEB asset - Beginning of year	<u>21,419,100</u>
OPEB asset - End of year	<u>\$ 20,968,664</u>

Employer contributions and annual OPEB cost data for the current and five preceding years were as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage of ARC Contributed	Net OPEB Asset (Obligation)
12/31/10	12/31/07	\$ 3,542,974	100.0 %	\$ 104,132
12/31/11	12/31/09	3,837,852	92.1	(207,864)
12/31/12	12/31/09	3,928,449	101.9	(131,425)
12/31/13	12/31/11	4,586,045	579.0	21,838,104
12/31/14	12/31/13	2,560,126	100.0	21,419,100
12/31/15	12/31/13	1,979,432	100.0	20,968,664

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/07	\$ 18,224,229	\$ 49,743,527	\$ 31,519,298	36.6 %	\$ 20,734,660	152.0
12/31/09	22,200,060	54,464,291	32,264,231	40.8	18,040,464	178.8
12/31/11	28,945,252	61,837,402	32,892,150	46.8	17,785,925	184.9
12/31/13	61,911,170	68,463,810	6,552,640	90.4	16,703,607	39.2

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 12 - Other Postemployment Benefits (Continued)

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented above, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the December 31, 2013 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 7.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9 percent initially for medical and prescription drugs for 2014, reduced by decrements to an ultimate rate of 4 percent after 10 years. The UAAL is being amortized as a level percentage of projected payroll over 22 years.

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 13 - Pension and Other Employee Benefit Trust Funds

The following are condensed financial statements for the individual pension plans and postemployment healthcare plans:

	Pension Trust Fund	Postretirement Health Care Fund
<u>Statement of Net Position</u>		
Cash and investments	\$ 120,679,441	\$ 66,988,289
Other assets	10,815	31,738
Liabilities	<u>71,852</u>	<u>114,031</u>
Net position	<u>\$ 120,618,404</u>	<u>\$ 66,905,996</u>
<u>Statement of Changes in Net Position</u>		
Investment income	\$ 1,293,267	\$ 835,465
Contributions	4,497,230	1,979,440
Benefit payments	5,784,740	2,076,030
Other deductions	<u>85,901</u>	<u>33,658</u>
Net change in net position	<u>\$ (80,144)</u>	<u>\$ 705,217</u>

Note 14 - Change in Accounting

During the current year, the Township adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, as amended. As a result, the government-wide statements and the proprietary funds now include a liability for our unfunded legacy costs. Some of the changes in this net pension liability will be recognized immediately as part of the pension expense measurement, and part will be deferred and recognized over future years. Refer to the pension note for further details. This change does not impact the General Fund or any other governmental fund. As a result of implementing this statement, beginning unrestricted net position of governmental activities was restated to \$33,472,002 (reduction of \$21,281,941) and the beginning unrestricted net position of the business type activities and Water and Sewer Fund was restated to \$118,434,168 (reduction of \$1,802,498).

Charter Township of West Bloomfield

Notes to Financial Statements December 31, 2015

Note 15 - Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the Township's 2016 fiscal year.

In June 2015, the GASB issued two new standards addressing accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans whereas GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, addresses accounting and reporting by employer governments that provide OPEB benefits to their employees. Along with the currently required statement of fiduciary net position and statement of changes in fiduciary net position, OPEB plans will now be required to include in the financial statement more extensive disclosures and required supplemental information related to the measurement of the OPEB liabilities for which assets have been accumulated. In addition, the Township will, after adoption of GASB Statement No. 75, recognize on the face of the financial statements its net OPEB liability. The Township is currently evaluating the impact these standards will have on the financial statements when adopted. GASB Statement No. 74 is effective for fiscal years beginning after June 15, 2016, whereas GASB Statement No. 75 is effective one year later.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement will require governments to disclose in their financial statements information related to tax abatement agreements. The Township is currently evaluating the impact this standard will have on the financial statements when adopted during the 2016 fiscal year.

Required Supplemental Information

Charter Township of West Bloomfield

Required Supplemental Information Budgetary Comparison Schedule - General Fund Year Ended December 31, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 10,788,800	\$ 10,819,594	\$ 10,798,544	\$ (21,050)
Licenses and permits	1,517,500	1,273,200	1,342,072	68,872
State-shared revenue and grants	5,184,800	5,082,100	5,079,850	(2,250)
Charges for services:				
Charges to other funds	18,200	10,300	112,750	102,450
Charges for services to external parties	420,700	471,600	438,022	(33,578)
Fines and forfeitures - District Court fines and fees	1,081,000	1,019,800	1,021,286	1,486
Investment income	280,000	182,789	223,809	41,020
Rental income	275,000	265,000	240,987	(24,013)
Other revenue:				
Cable franchise fees	1,290,000	1,300,000	1,384,598	84,598
Other miscellaneous income	151,000	192,700	230,354	37,654
Total revenue	21,007,000	20,617,083	20,872,272	255,189
Expenditures - Current				
General government:				
Township board	30,400	30,700	26,089	4,611
Supervisor	479,200	495,650	471,247	24,403
Finance	715,700	704,150	635,851	68,299
Information technology	900,600	946,100	854,341	91,759
Treasurer	722,700	685,100	630,507	54,593
Assessing	1,043,900	914,900	838,081	76,819
Clerk	761,100	737,200	687,158	50,042
Elections	6,400	35,430	32,130	3,300
Buildings and grounds	176,500	159,500	146,065	13,435
Attorney	415,000	525,000	539,474	(14,474)
Personnel	264,100	255,600	206,170	49,430
Pension board	2,700	2,800	1,945	855
General services	228,600	181,000	130,965	50,035
Total general government	5,746,900	5,673,130	5,200,023	473,107
District Court	1,080,000	1,200,000	988,556	211,444
Public safety:				
Building inspections	961,400	953,700	888,507	65,193
Code enforcement	540,900	546,800	482,993	63,807
Total public safety	1,502,300	1,500,500	1,371,500	129,000

Charter Township of West Bloomfield

Required Supplemental Information Budgetary Comparison Schedule - General Fund (Continued) Year Ended December 31, 2015

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Expenditures - Current (Continued)				
Public works:				
Street construction	\$ 63,200	\$ 77,250	\$ 60,899	\$ 16,351
Bike paths/Safety paths	88,500	64,900	58,023	6,877
Street lighting	70,000	77,000	62,196	14,804
Total public works	<u>221,700</u>	<u>219,150</u>	<u>181,118</u>	<u>38,032</u>
Community development:				
Engineering	203,300	198,000	186,774	11,226
Planning and zoning	256,200	253,700	235,243	18,457
Economic development opportunities	155,400	157,700	138,009	19,691
Development services	477,200	504,450	457,865	46,585
Total community development	<u>1,092,100</u>	<u>1,113,850</u>	<u>1,017,891</u>	<u>95,959</u>
Debt service	<u>928,400</u>	<u>881,724</u>	<u>779,701</u>	<u>102,023</u>
Total expenditures	<u>10,571,400</u>	<u>10,588,354</u>	<u>9,538,789</u>	<u>1,049,565</u>
Excess of Revenue Over Expenditures	10,435,600	10,028,729	11,333,483	1,304,754
Other Financing Sources (Uses)				
Face value of debt issue	2,700,000	-	-	-
Proceeds from sale of capital assets	-	1,200	1,206	6
Transfers in	-	-	29,025	29,025
Transfers out	(11,806,600)	(12,184,165)	(9,821,280)	2,362,885
Total other financing uses	<u>(9,106,600)</u>	<u>(12,182,965)</u>	<u>(9,791,049)</u>	<u>2,391,916</u>
Net Change in Fund Balance	1,329,000	(2,154,236)	1,542,434	3,696,670
Fund Balance - Beginning of year	17,416,850	17,416,850	17,416,850	-
Fund Balance - End of year	<u>\$ 18,745,850</u>	<u>\$ 15,262,614</u>	<u>\$ 18,959,284</u>	<u>\$ 3,696,670</u>

Charter Township of West Bloomfield

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund Public Safety Fund Year Ended December 31, 2015

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 19,538,700	\$ 19,537,460	\$ 19,544,402	\$ 6,942
Licenses and permits	32,000	34,600	34,620	20
Federal grants	-	8,000	13,418	5,418
State-shared revenue and grants	43,100	41,900	47,154	5,254
Charges for services	2,282,200	2,283,100	2,457,142	174,042
Fines and forfeitures	15,000	15,000	15,084	84
Investment income	90,000	43,300	34,124	(9,176)
Other revenue:				
Other miscellaneous income	263,000	290,100	300,313	10,213
Total revenue	22,264,000	22,253,460	22,446,257	192,797
Expenditures				
Current:				
Public safety:				
Police operations	12,605,925	12,480,225	11,396,583	1,083,642
Dispatch	1,046,300	1,043,695	925,821	117,874
Fire operations	14,593,300	15,064,005	14,177,834	886,171
Fire equipment	83,900	73,820	43,520	30,300
Police and fire facilities	11,000	8,800	7,545	1,255
Total public safety	28,340,425	28,670,545	26,551,303	2,119,242
Debt service	1,653,200	1,658,300	1,657,978	322
Total expenditures	29,993,625	30,328,845	28,209,281	2,119,564
Excess of Expenses Over Revenue	(7,729,625)	(8,075,385)	(5,763,024)	2,312,361
Other Financing Sources (Uses)				
Proceeds from sale of capital assets	7,000	15,000	26,273	11,273
Transfers in	8,306,600	9,414,287	6,974,895	(2,439,392)
Transfers out	(600,000)	(1,269,200)	(1,269,200)	-
Total other financing sources	7,713,600	8,160,087	5,731,968	(2,428,119)
Net Change in Fund Balance	(16,025)	84,702	(31,056)	(115,758)
Fund Balance - Beginning of year	163,497	163,497	163,497	-
Fund Balance - End of year	<u>\$ 147,472</u>	<u>\$ 248,199</u>	<u>\$ 132,441</u>	<u>\$ (115,758)</u>

Charter Township of West Bloomfield

Note to Required Supplemental Information Year Ended December 31, 2015

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds, except that operating transfers are recorded as operating transfers rather than expenditures.

The budget is prepared by the budget director under the direction of the Township supervisor and submitted to the Township board for review and approval. The Township board adopts the budget prior to December 31 of each year. All annual appropriations lapse at year end.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Excess of Expenditures Over Appropriations in Budgeted Funds - The Township had the following expenditure budget variance:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund - Attorney	\$ 525,000	\$ 539,474	\$ (14,474)

Charter Township of West Bloomfield

Required Supplemental Information OPEB System Schedule Year Ended December 31, 2015

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/07	\$ 18,224,229	\$ 49,743,527	\$ 31,519,298	36.6 %	\$ 20,734,660	152.0 %
12/31/09	22,200,060	54,464,291	32,264,231	40.8	18,040,464	178.8
12/31/11	28,945,252	61,837,402	32,892,150	46.8	17,785,925	184.9
12/31/13	61,911,170	68,463,810	6,552,640	90.4	16,703,607	39.2

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
12/31/10	12/31/07	\$ 3,542,974	100.0 %
12/31/11	12/31/09	3,837,852	92.1
12/31/12	12/31/09	3,928,449	101.9
12/31/13	12/31/11	4,586,045	579.0
12/31/14	12/31/13	2,560,126	100.0
12/31/15	12/31/13	1,979,432	100.0

* The required contribution is expressed to the Township as a percentage of payroll.

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2013, the latest actuarial valuation, is as follows:

Amortization method	Level percent
Amortization period (perpetual)	22 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	7.5%
Projected healthcare increases	4%-9%

Charter Township of West Bloomfield

Required Supplemental Information Schedule of Pension Investment Returns Last Ten Fiscal Years

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Annual money-weighted rate of return - Net of investment expense	2.3 %	6.7 %	16.1 %	12.7 %	1.8 %	14.0 %	19.2 %	(24.7)%	5.1 %	11.8 %

Charter Township of West Bloomfield

Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios Last Ten Fiscal Years (Prospectively Built from 2014)

	2015	2014
Total Pension Liability		
Service cost	\$ 2,913,582	\$ 2,841,389
Interest	10,142,570	9,606,831
Changes in benefit terms	-	80,840
Differences between expected and actual experience	459,365	-
Benefit payments, including refunds	(5,784,740)	(5,162,252)
Net Change in Total Pension Liability	7,730,777	7,366,808
Total Pension Liability - Beginning of year	135,438,182	128,071,374
Total Pension Liability - End of year	\$ 143,168,959	\$ 135,438,182
Plan Fiduciary Net Position		
Contributions - Employer	\$ 3,801,652	\$ 4,369,783
Contributions - Member	695,578	852,131
Net investment income	1,293,267	6,697,640
Administrative expenses	(85,901)	(5,162,252)
Benefit payments, including refunds	(5,784,740)	(117,966)
Net Change in Plan Fiduciary Net Position	(80,144)	6,639,336
Plan Fiduciary Net Position - Beginning of year	120,698,548	114,059,212
Plan Fiduciary Net Position - End of year	\$ 120,618,404	\$ 120,698,548
Plan's Net Pension Liability - Ending	\$ 22,550,555	\$ 14,739,634
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	84.25 %	89.12 %
Covered Employee Payroll	\$ 17,684,557	\$ 18,705,021
Township's Net Pension Liability as a Percentage of Covered Employee Payroll	127.5 %	78.8 %

Other Supplemental Information

Charter Township of West Bloomfield

	Special Revenue Funds				Debt Service Funds	
	Safety Paths	Grant Fund	Drug Enforcement	Special Assessment Districts	Building Authority Debt	Drains at Large
Assets						
Cash and investments	\$ 4,049,806	\$ 28,966	\$ 1,360,215	\$ 35,610	\$ -	\$ 388,920
Receivables:						
Property taxes receivable	286,146	-	-	-	-	177,745
Special assessments receivable	-	-	-	16,255	-	-
Accrued interest receivable	6,716	-	2,238	-	-	447
Other receivables	8,116	-	15,106	-	-	14,078
Due from other governmental units	-	96,507	-	-	-	-
Due from other funds	-	84,240	-	-	-	-
Prepaid expenses and other assets	-	-	357	-	-	-
Total assets	\$4,350,784	\$ 209,713	\$1,377,916	\$ 51,865	\$ -	\$ 581,190
Liabilities, Deferred Inflows of Resources, and Fund Balances						
Liabilities						
Accounts payable	\$ 4,113	\$ 84,240	\$ 8,401	\$ 5,781	\$ -	\$ 24,691
Due to other funds	-	-	-	-	-	-
Accrued liabilities and other	2,000	-	71	-	-	2,000
Unearned revenue	-	-	-	42,583	-	-
Total liabilities	6,113	84,240	8,472	48,364	-	26,691
Deferred Inflows of Resources						
Unavailable revenue	-	96,507	-	-	-	-
Property taxes levied for the following year	646,058	-	-	-	-	401,125
Total deferred inflows of resources	646,058	96,507	-	-	-	401,125
Fund Balances						
Nonspendable	-	-	357	-	-	-
Restricted:						
Public safety	-	-	-	-	-	-
Debt service	-	-	-	-	-	153,374
Safety paths	3,698,613	-	-	-	-	-
Grants	-	28,966	-	-	-	-
Drug enforcement	-	-	1,369,087	-	-	-
Special assessments	-	-	-	3,501	-	-
Assigned - Capital projects	-	-	-	-	-	-
Total fund balances	3,698,613	28,966	1,369,444	3,501	-	153,374
Total liabilities, deferred inflows of resources, and fund balances	\$4,350,784	\$ 209,713	\$1,377,916	\$ 51,865	\$ -	\$ 581,190

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015**

Debt Service Funds	Capital Projects Funds			Total
Special Assessment Districts	Special Assessment District	Capital Projects Fund	Improvement Revolving Funds	Nonmajor Governmental Funds
\$ 676,837	\$ -	\$ 4,149,189	\$ 1,326,645	\$ 12,016,188
-	-	-	-	463,891
1,006,860	-	-	2,303,870	3,326,985
-	-	3,804	-	13,205
-	-	200,000	-	237,300
14,364	-	-	36,084	146,955
-	-	-	-	84,240
-	-	-	-	357
<u>\$ 1,698,061</u>	<u>\$ -</u>	<u>\$ 4,352,993</u>	<u>\$ 3,666,599</u>	<u>\$ 16,289,121</u>

\$ 142,198	\$ -	\$ 60,559	\$ 290,820	\$ 620,803
170,272	-	-	-	170,272
-	-	-	-	4,071
-	-	-	-	42,583
312,470	-	60,559	290,820	837,729
914,250	-	-	1,869,936	2,880,693
-	-	-	-	1,047,183
914,250	-	-	1,869,936	3,927,876
-	-	-	-	357
-	-	1,459,113	-	1,459,113
471,341	-	-	-	624,715
-	-	-	-	3,698,613
-	-	-	-	28,966
-	-	-	-	1,369,087
-	-	-	-	3,501
-	-	2,833,321	1,505,843	4,339,164
471,341	-	4,292,434	1,505,843	11,523,516
<u>\$ 1,698,061</u>	<u>\$ -</u>	<u>\$ 4,352,993</u>	<u>\$ 3,666,599</u>	<u>\$ 16,289,121</u>

Charter Township of West Bloomfield

	Special Revenue Funds			
	Safety Paths	Grant Fund	Drug Enforcement	Special Assessment Districts
Revenue				
Property taxes	\$ 630,515	\$ -	\$ -	\$ -
Federal grants	-	80,197	103,170	-
State-shared revenue and grants	-	-	71,911	-
Charges for services	-	-	-	-
Investment income	42,494	-	7,400	-
Other revenue:				
Special assessments	-	-	-	37,382
Capital donations	-	-	-	-
Other miscellaneous income	-	-	-	5
Total revenue	673,009	80,197	182,481	37,387
Expenditures				
Current:				
Public safety	-	-	480,891	-
Public works	23,679	140,196	-	38,277
Recreation and culture	49,736	-	-	-
Debt service	836,175	-	-	-
Total expenditures	909,590	140,196	480,891	38,277
Excess of Expenditures Over Revenue	(236,581)	(59,999)	(298,410)	(890)
Other Financing Sources (Uses)				
Face value of debt issue	-	-	-	-
Proceeds from sale of capital assets	-	1,500	18,651	-
Transfers in	-	108,585	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	110,085	18,651	-
Net Change in Fund Balances	(236,581)	50,086	(279,759)	(890)
Fund Balances - Beginning of year	3,935,194	(21,120)	1,649,203	4,391
Fund Balances - End of year	\$3,698,613	\$ 28,966	\$1,369,444	\$ 3,501

**Other Supplemental Information
Combining Statement of Revenue, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2015**

Debt Service Funds			Capital Projects Funds			Total
Building Authority Debt	Drains at Large	Special Assessment Districts	Special Assessment District	Capital Projects Fund	Improvement Revolving Funds	Nonmajor Governmental Funds
\$ -	\$ 361,331	\$ -	\$ -	\$ -	\$ -	\$ 991,846
-	-	-	-	-	-	183,367
-	-	-	-	-	-	71,911
-	-	2,379	-	-	87,816	90,195
-	1,439	1,572	-	28,965	1,511	83,381
-	-	381,656	-	200,000	1,107,809	1,726,847
-	-	-	-	-	76,166	76,166
596,525	-	-	-	-	-	596,530
<u>596,525</u>	<u>362,770</u>	<u>385,607</u>	<u>-</u>	<u>228,965</u>	<u>1,273,302</u>	<u>3,820,243</u>
-	-	-	-	834,182	-	1,315,073
-	347,214	1,880,273	10,685	1,397,047	2,161,325	5,998,696
750	-	-	-	-	-	50,486
595,775	279,486	153,137	-	124,740	-	1,989,313
<u>596,525</u>	<u>626,700</u>	<u>2,033,410</u>	<u>10,685</u>	<u>2,355,969</u>	<u>2,161,325</u>	<u>9,353,568</u>
-	(263,930)	(1,647,803)	(10,685)	(2,127,004)	(888,023)	(5,533,325)
-	-	1,205,000	-	-	-	1,205,000
-	-	-	-	-	-	20,151
-	7,378	-	-	4,036,200	-	4,152,163
-	-	-	(36,403)	(29,200)	-	(65,603)
<u>-</u>	<u>7,378</u>	<u>1,205,000</u>	<u>(36,403)</u>	<u>4,007,000</u>	<u>-</u>	<u>5,311,711</u>
-	(256,552)	(442,803)	(47,088)	1,879,996	(888,023)	(221,614)
-	409,926	914,144	47,088	2,412,438	2,393,866	11,745,130
<u>\$ -</u>	<u>\$ 153,374</u>	<u>\$ 471,341</u>	<u>\$ -</u>	<u>\$ 4,292,434</u>	<u>\$ 1,505,843</u>	<u>\$ 11,523,516</u>

Charter Township of West Bloomfield

Other Supplemental Information Combining Statement of Assets and Liabilities Fiduciary Funds December 31, 2015

	Pension Trust Funds			Agency Funds		
	Pension Fund	Postretirement		Trust and Agency	Escrow	Total Agency Funds
		Healthcare Fund	Total Pension Trust Funds			
Assets						
Investments:						
Cash equivalents	\$ 2,103,269	\$ 2,599,270	\$ 4,702,539	\$ 8,541,543	\$ 717,701	\$ 9,259,244
Fixed income	36,206,545	19,906,322	56,112,867	-	-	-
Mutual funds	58,203,617	35,741,202	93,944,819	-	-	-
Real estate	13,668,828	5,330,746	18,999,574	-	-	-
Other	10,497,182	3,410,749	13,907,931	-	-	-
Prepaid expenses and other assets	10,815	31,738	42,553	-	-	-
Total assets	<u>120,690,256</u>	<u>67,020,027</u>	<u>187,710,283</u>	<u>\$ 8,541,543</u>	<u>\$ 717,701</u>	<u>\$ 9,259,244</u>
Liabilities						
Accounts payable	71,852	105,978	177,830	\$ -	\$ -	\$ -
Due to other governmental units	-	-	-	8,541,439	-	8,541,439
Due to primary government	-	8,053	8,053	-	-	-
Refundable deposits, bonds, etc.	-	-	-	104	717,701	717,805
Total liabilities	<u>71,852</u>	<u>114,031</u>	<u>185,883</u>	<u>\$ 8,541,543</u>	<u>\$ 717,701</u>	<u>\$ 9,259,244</u>
Net Position Held in Trust for Pension and Other Employee Benefits	<u>\$ 120,618,404</u>	<u>\$ 66,905,996</u>	<u>\$ 187,524,400</u>			

Charter Township of West Bloomfield

Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds Year Ended December 31, 2015

	Pension Fund	Postretirement Healthcare Fund	Total
Additions			
Investment income:			
Interest and dividends	\$ 2,251,295	\$ 786,672	\$ 3,037,967
Net increase in fair value of investments	(196,683)	384,469	187,786
Investment-related expenses	(761,345)	(335,676)	(1,097,021)
Net investment income	1,293,267	835,465	2,128,732
Contributions:			
Employer	3,801,652	1,979,440	5,781,092
Employee	695,578	-	695,578
Total contributions	4,497,230	1,979,440	6,476,670
Total additions	5,790,497	2,814,905	8,605,402
Deductions			
Benefit payments	5,784,740	2,076,030	7,860,770
Administrative expenses	85,901	33,658	119,559
Total deductions	5,870,641	2,109,688	7,980,329
Net (Decrease) Increase in Net Position Held in Trust	(80,144)	705,217	625,073
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	120,698,548	66,200,779	186,899,327
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	<u>\$ 120,618,404</u>	<u>\$ 66,905,996</u>	<u>\$ 187,524,400</u>