

**CHARTER TOWNSHIP OF
BLOOMFIELD, MICHIGAN**

FINANCIAL REPORT WITH
SUPPLEMENTAL INFORMATION

Year ended March 31, 2015

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN

TABLE OF CONTENTS

	Page
Independent Auditor's Report	3
Management's Discussion and Analysis	6
Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	28
Statement of Activities	29
Fund Financial Statements	
Governmental Funds	
Balance Sheet	30
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in Fund Balances	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	33
Proprietary Funds	
Statement of Net Position	34
Statement of Revenues, Expenses, and Changes in Fund Net Position	35
Statement of Cash Flows	36-37
Fiduciary Funds	
Statement of Net Position	38
Statement of Changes in Fiduciary Net Position	39
Notes to Financial Statements	40
Required Supplemental Information	
Budgetary Comparison Schedule - General Fund	76
Budgetary Comparison Schedule – Road Fund	77
Budgetary Comparison Schedule – Public Safety Fund	78
Notes to Required Supplemental Information – Budgetary Information	79
Schedule of Funding Progress - Retired Employees Healthcare Plan	80
Schedule of Employer Contributions – Retired Employees Healthcare Plan	80
Schedule of Funding Progress – Pension Trust Retirement Plan	81
Schedule of Employer Contributions – Pension Trust Retirement Plan	81
Schedule of Changes in the Township Net Pension Liability and Related Ratios – Pension Trust	82
Schedule of Township Contributions	83
Other Supplemental Information	
Nonmajor Governmental Funds	
Combining Balance Sheet	85
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	86
Agency Fund - Combining Statement of Changes in Assets and Liabilities	87
Fiduciary Funds	
Combining Statement of Net Position	88
Combining Statement of Changes in Net Position	89
Statistical Information Required for Continuing Disclosure Certificate	91-94

INDEPENDENT AUDITOR'S REPORT

To the Township Board
Charter Township of Bloomfield, Michigan

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 remaining fund information of the Charter Township of Bloomfield, Michigan (the "Township"), as of and for the year ended March 31, 2015, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Bloomfield Township Public Library, which represents 100% of the assets, net position, and revenues of the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Township as of and for the year ended March 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension trust and healthcare plan schedules on pages 6–27 and 76-83 be presented to supplement the basic financial statements. Additionally, accounting principles generally accepted in the United States of America require that certain information for the defined benefit pension plan also be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

To the Township Board
Charter Township of Bloomfield, Michigan
Page Three

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and relate 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 by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

UHY LLP

Farmington Hills, Michigan
September 23, 2015

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

As management of the *Township*, we offer readers of the Township's financial statements this narrative overview and analysis of the financial activities of the Township for the fiscal year ended March 31, 2015.

FINANCIAL HIGHLIGHTS

- Change in net position for the primary government was \$(6,923,710), decreasing from \$89,892,576 to \$82,968,866. This balance consists of governmental net position of \$32,670,174 and business-type net position of \$50,298,692. These amounts do not include fiduciary funds.
- Taxes and assessments revenue was \$39,758,599, an increase of \$3,291,345 when compared to the prior year of \$36,467,254. The taxable value increased from \$3,156,898,881 in 2013-14 to \$3,245,848,860 in 2014-15. Some millage rates were rolled back, some remained the same, and the three debt millages may adjust annually to cover upcoming principal and interest payments. The majority of the increase to taxes and assessments is a result of four new road special assessment districts (SAD) established during the year, in addition to two established in the prior year.
- State shared revenues were \$3,195,366, an increase of \$138,105 when compared to the prior year of \$3,057,261. The majority of these revenues are based on state sales tax collections disbursed based upon population. In 2014, the EVIP program was replaced with the CVTRS program. This accounts for \$51,000 of the increase.
- Investments earnings were \$353,453, compared to the prior year loss of \$(322,259). The prior year loss was due to a rapid increase in interest rates which had an adverse effect on the bond market. The majority of the investments were in short-term bond mutual funds.
- Total expenses for governmental activities were \$63,569,910, an increase of \$4,321,274 when compared to the prior year of \$59,248,636. The majority of the increase is due to the annual cost of other post-employment benefits and the one time transfer of sick pay from the agency fund.
- Total revenues for business-type activities were \$19,363,708 and expenses were \$19,514,559, with a decrease to net position of \$(150,851). The prior year revenues were \$20,207,610 and expenses were \$19,285,319, with an increase to net position of \$922,291.
- The governmental activities reported total net position of \$32,670,174, a decrease of \$(6,772,859) when compared to the previous fiscal year. The decrease is the result of surplus operations within the various operating funds included in this category offset by over \$7.2 million of Other Post-Employment Benefit (OPEB) costs.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

FINANCIAL HIGHLIGHTS (Continued)

- Unrestricted net position for governmental activities was \$(3,732,441), a decrease of \$(4,684,218) when compared to the prior year of \$951,777. Unrestricted net position for the business-type activities was \$12,379,974 a decrease of \$(4,712,711) when compared to the prior year of \$17,092,685.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of two parts: management's discussion and analysis (this section) and the basic financial statements. The basic financial statements include 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 long-term view of the Township's finances. Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Township's operations in more detail than the government-wide statements by providing information about the Township's most significant funds. Notes to the financial statements give even further detail on the current and future activities, policies, assets and obligations of the Township. Lastly, we have Required Supplemental Information and Other Supplemental Information including combining and individual fund financial statements and schedules.

Government-wide Financial Statements (Reporting the Township as a Whole)

One of the most important questions asked about the Township's finances remains, "Is the Township as a whole better or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Township as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Township's net position and changes to it. You can think of the Township's net position — the difference between assets and liabilities — as one way to measure the Township's financial health, or financial position. Over time, increases or decreases in the Township's net position is one indicator of whether its financial health is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the property tax base and the condition of infrastructure, to assess the overall health of the Township.

As stated previously, the government-wide financial statements are reported using the accrual basis of accounting. However, the governmental funds report on a modified accrual basis. The following summarizes the reconciliation between the government-wide and governmental statements:

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- Capital outlay is not reported as an expense on the government-wide statements, but instead is reported as capital assets that are depreciated over their estimated useful life
- Depreciation expense is reported on the government-wide statements
- Principal payments on debt are reported as an expense on the governmental statements, but instead are reported as reductions of the outstanding liabilities on the government-wide statements
- Long-term liabilities such as Other Post-Employment Benefits and Compensated Absences are reported on the government-wide statements
- Accruals such as interest expense are reported on the government-wide statements

Fund Financial Statements (Reporting the Township's Major Funds)

A fund is an independent accounting entity with a self-balancing set of accounts, created for the purpose of carrying on a specific activity. It has accounts for assets, liabilities, equities, and revenue and expenditures. The Township uses fund accounting to demonstrate compliance with finance-related laws as is required of all state and local governments. All Township funds fall into one of three major categories: governmental funds, proprietary funds, or fiduciary funds.

- *Governmental Funds* – All of the Township's basic services are reported in the governmental funds. The funds included in this category are the general fund, special revenue funds, and debt service funds. The general fund is used to account for revenue and expenditures for general Township government that would not fall under any other fund category. Revenues collected for a specific purpose and their corresponding expenditures are accounted for in special revenue funds. This sub-category of funds consists of the Road Fund, Public Safety Fund (police, fire and dispatch), Senior Services Fund, Village Police Fund, Village Fire Fund, Lake Improvement Fund, Improvement & Revolving Fund, Building Inspection Fund, Drug Law Enforcement Fund, Safety Path Fund, and Cable Studio Fund. Debt service funds are used to account for revenue collected for the purpose of retiring various bond issues for county drain projects, a major library renovation, major improvements to the Township campus and two off-campus fire stations, pension obligations, and road special assessment projects. There are five debt service funds reported in the debt service fund sub-category and three are considered major funds for reporting purposes. They are the Campus Construction Debt Fund, Pension Obligation Bond Debt Fund, and Library Debt Fund. In all, the Township has eighteen individual governmental funds. Governmental funds are reported using the modified accrual basis of accounting. These statements allow the reader to gain a much narrower focus on Township financial activity than the government-wide statements and make it possible to analyze short term financial decisions made by Township managers.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

- *Proprietary Funds* – The main feature distinguishing a proprietary fund from a governmental fund is the source of revenue. The governmental funds receive their primary funding from taxes and intergovernmental revenues, while the proprietary fund recovers all or a significant portion of its costs from user fees and charges (business-type activities).

The Township has two enterprise funds: the Water & Sewer Fund and Special Assessment District Fund. These two funds are combined and reported as a single proprietary fund. Proprietary funds are reported using the accrual basis of accounting, which is the same method used in the government-wide statements and in most private-sector businesses.

- *Fiduciary Funds* – These funds are used to account for resources held in trust by the Township for the benefit of parties other than the governmental entity. These funds are not available to be used for Township programs, and therefore are not included in the government-wide statements. The majority of the resources in this fund category are set aside to satisfy the defined benefit pension liability to Township employees and retirees.

The Township reports four fiduciary funds: the Trust & Agency Fund, Retiree Health Care Fund, Retirement System Pension Trust Fund, and the 401A Defined Contribution Plan Fund. Fiduciary funds are reported using the accrual basis of accounting.

Notes to the Financial Statements

The Notes provide additional detailed information that is essential for a reader to receive a complete understanding of the information presented in the government-wide and fund financial statements.

Required Supplementary Information

This section further explains and supports the information in the financial statements and includes a budgetary comparison schedule for the General Fund and major special revenue funds.

Other Supplementary Information

This section includes the Combining and Individual Fund Financial Statements and Schedules for non-major governmental and fiduciary funds.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

FINANCIAL ANALYSIS OF THE TOWNSHIP AS A WHOLE

Net position is one indicator of a government's financial condition either at a given point in time or as compared over a period of time. Bloomfield Township's assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources (net position) by \$82,968,866. In particular, the net position of the governmental activities decreased by \$(6,772,859) and the business-type activities decreased by \$(150,851). For the purpose of this analysis, the fiduciary funds and the component unit are excluded as these resources are not available to support Township programs.

It is important to note that a large portion of the Township's net position consists of investments in capital assets (land, buildings, vehicles, equipment and infrastructure) and not in cash or cash investments; therefore the majority of these assets are not available to be used for day-to-day operations. At the close of the most recent fiscal year, 56% of the Township's total assets consisted of capital assets with the remaining 44% consisting primarily of current assets (cash, marketable securities, receivables, prepaid expenses, and inventory) and long-term receivables. The deferred outflow is not considered an asset.

A portion of the Township's net position, \$7,787,070, is subject to restrictions as to how they may be used. The unrestricted portion of net position is \$(3,732,441). This is the first year reporting a negative balance, which is being caused by the annual OPEB liability being recorded of over \$7M. The net investment in capital assets totaled \$66,534,263. The Township has positive balances in all fund types and in each of the individual funds within the fund types.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

Table 1
Net Position
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Assets						
Current and other assets	\$ 71.0	\$ 65.1	\$ 17.1	\$ 22.4	\$ 88.1	\$ 87.5
Capital assets	53.0	55.1	54.9	50.7	107.9	105.8
Total assets	123.9	120.2	72.0	73.1	195.9	193.3
Deferred outflow of resources	74.6	77.3	-	-	74.6	77.3
Liabilities						
Other liabilities	8.8	9.7	2.5	3.3	11.3	13.0
Long-term liabilities	155.3	148.1	19.2	19.4	174.6	167.5
Total liabilities	164.1	157.8	21.7	22.7	185.9	180.5
Deferred inflow of resources	1.7	0.3	-	-	1.7	0.3
Net Position						
Invested in capital assets -						
Net of related debt	28.6	30.7	37.9	33.0	66.5	63.7
Restricted	7.8	7.8	-	-	7.8	7.8
Unrestricted	(3.7)	0.9	12.4	17.4	8.6	18.3
Total net position	\$ 32.7	\$ 39.4	\$ 50.3	\$ 50.4	\$ 83.0	\$ 89.8

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

Table 2
Changes in Activities
(In Millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenue						
Program revenue:						
Charges for services	\$ 10.8	\$ 10.4	\$ 19.4	\$ 19.8	\$ 30.2	\$ 30.2
Operating grants and contributions	0.3	0.1	-	-	0.3	0.1
Capital grants and contributions	-	-	-	0.1	-	0.1
Total program revenues	11.1	10.5	19.4	19.9	30.5	30.4
General revenue:						
Taxes and assessments	39.8	36.5	-	-	39.8	36.5
State-shared revenue	3.2	3.1	-	-	3.2	3.1
Investment earnings (loss)	0.3	(0.3)	-	-	.3	(.3)
Capital contributions	-	-	-	0.2	-	.2
Transfers and other revenue	2.4	(0.4)	-	-	2.4	(.4)
Total revenue	56.8	49.4	19.4	20.1	76.2	69.5
Program Expenses						
Judicial	1.9	1.8	-	-	1.9	1.8
General government	11.5	8.9	-	-	11.5	8.9
Public works	12.2	7.6	-	-	12.2	7.6
Public safety	29.3	30.8	-	-	29.3	30.8
Community enrichment	3.9	3.8	-	-	3.9	3.8
Debt service	4.6	3.1	-	-	4.6	3.1
Other	0.2	3.2	-	-	0.2	3.2
Water & Sewer	-	-	19.5	19.2	19.5	19.2
Total program expenses	63.6	59.2	19.5	19.2	83.1	78.4
Change in Net Position	\$ (6.8)	\$ (9.8)	\$ (0.1)	\$ 0.9	\$ (6.9)	\$ (8.9)

Governmental Activities

Net position decreased by \$6.8 million as a result of activities within these funds. There was a surplus in the total of the underlying governmental funds, but this was offset by over \$7 million in OPEB costs reported in the government-wide statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

Governmental Activities (Continued)

Property tax revenue increased by about 2.3% as the Township's taxable value increased by approximately 2.4% compared to last fiscal year. Property tax millage rates remained the same or declined due to Headlee rollbacks. The three debt service millages change annually to cover the principal and interest coming due. The increase in property values experienced this year was the second time since the housing market decline began in 2008. The Township expects to see the tax base increase by between 2.5% and 3.0% next year as home values are expected to continue to slowly increase going forward. Special assessments are also reported on this line of the government-wide statements. In 2014-15, four road special assessment districts were established to add to the two established in the previous year, with revenues totaling \$3.5 million.

Program revenues are divided into three categories: 1) Charges for services, fees, fines, forfeitures, and rents, 2) Operating grants and contributions, and 3) Capital grants and contributions. Program revenues are very comparable to the prior year. Charges for services for the current year and prior year were \$10.8 million and \$10.5 million, respectively. The charges for services line includes items such as 48th District Court revenues, passport fees, copies and FOIA requests, assessing services provided to City of Sylvan Lake, motor pool services, street lighting charges, PBT revenue (breathalyzer tests), police security services, EMS transport fees, adult day services at the senior center, and cable services charges. At the government-wide level, charges for services also include licenses, permits, fees, and rent revenue. This revenue includes items such as planning and zoning fees, various senior center fees, permit fees, various rents, and franchise and PEG fees.

We incurred investment earnings for the fiscal year of \$353,453, a positive sign when compared to the previous year's investment loss of \$(322,259). This increase is attributable to the stabilization of the declining rates of return in the short-term bond mutual fund market, and investing in more CD's rather than bonds. The Township keeps as much cash invested as possible at any given point in time in order to maximize the earnings potential, and does so without restraining the daily operations. Disbursements from the short-term bond mutual fund are timed in a manner so to avoid redemption charges or losses of original principal. Losses in this category are merely a reduction in value at a point in time rather than an actual loss.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

Governmental Activities (Continued)

Total expenses for the year were \$63.6 million compared to \$59.2 million the prior year. The difference isn't attributable to any one item; it's a combination of many items. The following summarizes what funds or departments are included in the various governmental activities functions:

- Legislative – Township Board
- Judicial – 48th District Court rent and operations
- General government – Township Supervisor, Accounting, Township Clerk, Audit & Legal fees, Information Technology, Board of Review, Township Treasurer, Assessing, Elections, Buildings & Grounds, Motor Pool, and Building Inspection
- Public works – Road Fund, Safety Path Fund, and Special Assessment Capital Projects Fund
- Public safety – Ordinance, Police, Fire, Dispatch, Village Police & Fire, and Drug Law Enforcement
- Community enrichment – Planning, Zoning, Senior Services Fund, Lake Improvement Fund, Improvement & Revolving Fund, and the Cable Studio
- Debt service – Campus Construction Debt Fund, Pension Obligation Bond Debt Fund, Library Debt Fund, Special Assessment Debt Fund, and Drain-at-Large Fund

Health insurance cost increases continue to be contained via the implementation of the high deductible consumer-directed health plan initiated for all active employees that began January 1, 2010. Recording of health insurance premiums was adjusted to more accurately reflect what portion is related to active employees versus retirees.

In November 2013, the Township sold pension obligation bonds to fully fund its defined benefit pension plan. Without this option, the Township would have seen its annual required contribution double. The significant increases to pension costs experienced in recent years have been mostly the result of poor investment returns caused by extremely low interest rates and a very volatile equity market, coupled with actuarial assumption changes reflecting longer life expectancies of participants. With the sale of the bonds, the Township has stabilized a significant budget item that has historically fluctuated year to year. The bonds will be paid over 20 years.

This year's court expenditures were similar to the prior year at \$1.86 million. The court operation revenues and expenditures will rise or decline as the Township case load fluctuates in comparison to the other three municipalities that share the court.

Even as the Township's taxable values have begun to slowly recover, it is imperative that management continue to pursue cost-cutting and cost containment strategies moving forward. Legal restrictions to property tax increases in the State of Michigan will not allow property tax revenues to be restored at anywhere near the pace at which they have declined.

On a positive note, the major operating fund balances at year end are very healthy and are at levels to where it is not necessary to keep building them up. This is why for the fourth year the Township has opted to make a transfer into the Retiree Health Care fund to defray future retiree health insurance costs.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

Governmental Activities (Continued)

It is important to focus on the three major governmental operating funds within this group when analyzing expenditures.

Public Safety, the largest fund, had expenditures of \$22.0 million before transfers, a decrease from the prior year amount of \$24.3 million to provide police, fire, EMS and dispatch services. This difference is due to the current year not having a defined benefit contribution expense. It has been replaced with a transfer out to the pension obligation bond debt fund which is reported as another financing use, not as an expense. This fund receives a large transfer from the General Fund. See the section titled "Financial Analysis of the Township's Major Funds" for a more detailed analysis of this fund.

The second largest operating fund, the General Fund, had expenditures of \$8.3 million before transfers compared to \$8.6 million the prior year. The various underlying activities of the General Fund fluctuated as they do every year, but in total there was no significant movement from last year to this year. See the section titled "Financial Analysis of the Township's Major Funds" for a more detailed analysis of this fund.

The Road Fund, the third major governmental operating fund, had expenditures of \$4.1 million before transfers compared to \$4.1 million the prior year. For multiple years now, this fund has had to operate at a much smaller size and scope than prior due to the housing market decline. The fund incurred extraordinary costs for salt due to a nationwide shortage. This fund receives a large transfer from the General Fund. See the section titled "Financial Analysis of the Township's Major Funds" for a more detailed analysis of this fund.

Business-Type Activities

Net position decreased by \$(150,851) as compared to last year. There is total net position of \$50,298,692 as compared to \$50,449,543 last year.

The main sources of revenue to this fund are user fees to customers to cover the cost of water purchased from the Southeast Oakland County Water Authority (SOCWA) and sewage treatment charges paid to Oakland County. These fees also are used to cover the administrative expenses related to providing these services as well as costs to repair and maintain the water and sewer system. There is also some allowance made in the rates to provide resources for future capital improvements and major repair and maintenance of infrastructure. The water and sewer rates also cover the cost of debt retirement payments payable each fiscal year on water and sewer system improvements financed by the sale of bonds.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

Business-Type Activities (Continued)

Water and sewer sales finished the year lower than what was budgeted. This was caused by several factors. We experienced another year of decreased water consumption. The water volume has decreased by 28% since 2008. This is the result of a combination of the effects of weather and residents being more aware and cautious of their water use. In the past, sewage treatment was billed based on water consumption, and then it was changed to be actually metered as it passes through the system. That method complicated our budgeting process because we cannot meter sewer consumption at the individual properties so we still must bill the sewer portion of our customer's bill based upon their water use while the Township was billed from Oakland County based upon a metered calculation. That new metering method brought the unpredictability of weather into the equation because rainfall and melting snow would leak into the sanitary sewer system and can cause significant weather related fluctuations in the amount the Township is billed. During the 2014-15 fiscal year, Oakland County changed the billing method again. It went from a quarterly invoice based on actual metered flows for the quarter, to a monthly invoice which is a fixed fee based upon the Township's contribution of flow to the Evergreen-Farmington system. Currently, this is approximately 16%.

Fund expenses finished the year at about 97% of budget, but with revenues under budget the result was a loss of \$(150,851) for the year, compared to net income of \$922,291 the prior year. The water and sewer infrastructure continues to age and it is necessary to build up the reserves in order to fund projects while limiting the issuance of bonds. Operating expenses did decrease marginally as compared to last year. This was a combination of increased wage, benefit and OPEB costs offset by reduced water supply charges and sewage treatment charges as usage was down.

Overall, the water and sewer fund statement of net position is in good condition. The fund has experienced a small loss this year, but still has been able to designate cash for capital improvements, debt and OPEB costs. The Township continues to include depreciation expense with the annual water and sewer rates. Management remains proactive and is taking the steps necessary to contain costs and mitigate the possibility of future operating losses. Some of these steps include lowering expected consumption estimates and making part of the rate structure a fixed fee, not subject to use, to match changes made by the suppliers. Also, to contain cost increases the employees had been under a pay freeze from 2009 to 2013. They also had their health plan changed to the high deductible plan that all other employees have accepted as of January 10, 2010, and like the other funds new hires are no longer eligible for retiree health care but rather a much less expensive retiree health savings account.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

Business-Type Activities (Continued)

Management also understands it has a significant responsibility to maintain and replace aging infrastructure. As with any aging infrastructure, water supply piping becomes less reliable to provide adequate flows due to long-term wear on the internal pipe lining and operational valve components. The Township's sanitary sewer system has been designated as in non-compliance as per a 1989 Pollution Abatement Order from the Michigan Department of Environmental Quality (MDEQ) for exceeding the Township's allocated capacity contribution to the Evergreen-Farmington Sewage Disposal System's (EFSDS) sanitary sewer overflows. The MDEQ is requiring the Township to find and eliminate sources of inflow and infiltration by way of sewer metering, video inspection and pipe rehabilitation. The Township is well into this process and the successful elimination of such sources will potentially reduce the Township's contribution to the EFSDS regional improvements scheduled to be constructed and completed by 2017.

The water supply infrastructure concerns mentioned above have been prioritized and broken into several phase capital improvement programs designed to replace about \$43,000,000 of water & sewer infrastructure. The process to sell bonds for Phase I began early in fiscal 2005-06. These bonds amounting to \$4,470,000 were sold in May 2006. Phase II bonds amounting to \$4,750,000 were sold in March 2008 at the same time as a \$4,000,000 bond sale for sewer system improvements. An additional \$3,000,000 in bonds was sold in April 2011 for sewer system improvements. Phase III water system bonds of \$3,250,000 were sold in April 2013. These bonds are being repaid by a combination of consumption-based user fees and flat rate debt service charges applied to customer bills. The Township has adjusted the water & sewer rates to include depreciation, and in 2015-16 have an additional line for funding capital projects. These funds collected through the water & sewer rates for these items are intended to be used for water & sewer capital improvements. While we cannot show these amounts as restricted on the face of the financial statements, it is the intent of the Township to use these funds as indicated. At the end of the fiscal year the department designated over \$9 million for replacement and improvements, compared to \$11.2 million the prior year. This decrease is the result of increased activity of investing funds into the system over the past year.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

Governmental Accounting Standards Board (GASB) Statement No. 34 requires that funds designated as "major" be presented as a separate column on the face of the financial statements. Statement 34 defines a "major fund" as the General Fund, and any governmental or enterprise fund which has either total assets, total liabilities, total revenues or total expenditures/expenses that equal at least ten (10) percent of those categories for either the governmental funds or the enterprise funds and where the individual fund total also represents five (5) percent of those categories for governmental and enterprise funds combined.

The funds within this group provide information on near-term inflows, outflows and balances for the Township's main operating funds. The information contained in these funds is useful in determining the financing requirements of the Township, particularly as related to their major revenue source - property taxes. However, it is important to remember that these audited financial statements represent a snapshot as of one point in time and the financial picture changes constantly throughout a fiscal year. This is especially significant when analyzing the Township's financial data because property taxes are collected very late in the fiscal year (final due date is February 14th); meaning most of the cash and fund balances as of the fiscal year end exist because this major revenue source has just been collected. For this reason, a snapshot as of March 31st may be misleading as to the financial strength of this particular group of funds. Certainly small fund balances, although positive, would not necessarily represent a healthy financial position at this particular point in time. The cash on hand is necessary to meet expenses for the following nine months of operation before the next year's tax bills can be sent out. However, the current fund balances have been steadily improving in recent years and are considered to be sufficient and appropriate to meet the ongoing obligations of the funds.

General Fund

The general fund is a key operating fund of Bloomfield Township. Several major revenue sources flow through the general fund including property taxes, state revenue sharing, and investment earnings. At the end of the fiscal year, the total fund balance of the general fund was \$11,838,362, an increase of \$198,184 over the prior year balance of \$11,640,178. Most of the fund balance is unassigned with a balance of \$11,313,967, the remainder being nonspendable for inventory and prepaid items and for long-term receivables. Consequently, most of the balance is available for spending at the administration's discretion and that would include being used to transfer money to supplement other Township funds. It is recommended to have fund balance equivalent to 20% of annual expenditures as a minimum. As of the fiscal year end, this fund has fund balance equivalent to 72% of annual expenditures. As explained earlier, this calculation is as of a specific day in time and fluctuates greatly depending on the time of year it is calculated.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

General Fund (Continued)

This fund is currently in very good to excellent financial shape but will continue to face several significant challenges going forward. Property tax revenue seems to have hit bottom in 2012 and is expected to continue to improve next year as the housing market bounces back but it will do so at a slow pace. Also, in the near term it appears there is no relief in sight from the extremely low interest rate returns on invested tax dollars. The fund recorded more in revenue this year as compared to last year with an increase in property taxes and state shared revenues, and recording of ninety percent of the franchise fees that used to be in the Cable TV fund. State revenue sharing still remains far below what it was about a decade ago. The difficult financial situation at the state level does seem to be recovering but state shared revenue payments to local governments still have a long ways to go to recover to the levels paid in the past. Investment earnings continue to be below historical averages with a gain of \$254,112 in this fiscal year, the result of extremely low interest rates being paid on certificates of deposit and money market funds, and the short-term bond mutual fund market rates remaining low. As recently as fiscal year ended March, 2008 we generated over \$1.6 million in investment income. In recent fiscal years and going forward it has been and will be difficult to achieve even a tenth of that amount per year.

Revenues finished the year at 101% of budget with variations coming from a wide array of accounts, some coming in under budget and others over budget. The most notable discrepancies include state revenue sharing with a favorable variance of \$95,366, franchise fees revenue with a favorable variance of \$30,361, a higher than expected MMRMA insurance premium refund of \$312,973, and finally investment earnings with a favorable variance of \$54,112.

Expenditures before transfers were \$8,340,546, a decrease of \$311,982 when compared to the prior year of \$8,652,528. Transfers out of the general fund in the current year were \$7,381,418 and the prior year totaled \$5,769,000, with most of the funds transferred to the public safety fund both years. Effective beginning with fiscal year 2013-14 the Township transferred to the Pension Obligation Bond Debt fund; the amount was \$952,989 this fiscal year and was \$119,000 last fiscal year. As anticipated, the general fund is transferring all of the 2010 millage tax dollars to the public safety fund and road fund to provide necessary support as these funds have been hit the hardest by the decreased property tax revenue. The fund also was able to make a transfer to the retiree health care trust fund both years; \$500,000 this year and \$500,000 in the prior year. Comparing each expenditure category between the current year and prior year shows almost every category is down from the prior year. Part of this decrease is attributable to the elimination of the defined benefit expense that has been replaced with transfers out to the pension obligation bond debt fund. Well aware of the economic situation, the departments that are reported in the general fund have maintained a status-quo attitude when it comes to maintaining their operations.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

General Fund (Continued)

Expenditures in this fund are not as dominated by personnel costs as some of the other major operating funds but still play a major role. This leaves the fund vulnerable to health care, pension and other fringe benefit costs that historically have increased at a greater pace than the fund's revenues. Management has been working aggressively for well over a decade to control these costs. Major changes have taken place over the past decade including requiring that all employees hired after 2005 are enrolled in a defined contribution pension plan rather than defined benefit plan. Effective January 2010, all active employees were enrolled in a high deductible consumer driven health care plan that in its first year reduced health care expenditures by over \$1.5 million. Effective May 1, 2011, any new hires are no longer promised retiree health care benefits, instead they are enrolled in a retiree health savings plan. The Township's administration remains committed to the education and involvement of all employees of the organization in an effort to contain fringe benefit costs. The Township's administration also regularly meets with its consultants and vendors involved in the employee benefit programs to explore present and future potential solutions to lower and/or contain these costs. In 2014, the Township formed a Financial Sustainability Committee.

Expenditures finished the year at 99.5% of budget including transfers out and the unbudgeted transfer to the retiree health care trust fund of \$500,000. The favorable budget variances were spread throughout many of the activities accounted for in this fund. The largest favorable variance being transfers out which was under budget by \$353,287 before making the \$500,000 transfer referred to above. The current economic volatility is making long-term budget forecasting much more problematic. The good news is that even through the volatility we have experienced, the Township's management was able to follow the five year strategic plan established in 2008 and used a combination of revenue replacement and reduced expenditures to maintain a balanced financial situation while maintaining services at the high level residents have come to expect. The Township is now working on a capital infrastructure plan.

Road Fund

The road fund is the third largest operating fund in size and scope of the three major governmental operating funds. Bloomfield Township is the only township in the state with its own road department. It has an agreement with Oakland County to allow the Township to maintain most of the subdivision roads which remain owned by the County. At the end of the fiscal year the fund balance was \$2,437,146. The overall fund balance increased by \$63,609 as compared to the prior fiscal year. Presently, this fund balance amount provides sufficient cash resources to meet operating expenses until the property tax revenue is received toward the end of the subsequent fiscal year. It is recommended to have fund balance equivalent to 20% of annual expenditures as a minimum. As of the fiscal year end, this fund has fund balance equivalent to 55% of annual expenditures.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

Road Fund (Continued)

With the decline in property taxes, fund revenues have consistently fallen short of expenditures in recent fiscal years requiring contracted maintenance work to be cut back or eliminated. This fiscal year was the second year of moving in the right direction of spending more on paving contract work, with an expense of \$550,777 compared to \$502,035 the prior year. Due to years of Headlee rollbacks to the road millage, the general fund must transfer funds to the road fund in order to maintain an adequate level of service. This fiscal year the transfer amounted to \$1,350,000 as compared to \$1,125,000 last year. The general fund would need to provide a much greater supplement to the road fund if not for the significant reductions that have been made in recent years to maintenance work and capital outlay in an effort to cut overall costs due to the steep decline in property tax revenue that has occurred. Without the general fund support, the road fund cannot cover annual operating expenditures. If in the future general fund support is no longer possible, services will have to decrease or other revenue sources will have to be obtained.

Currently, the major revenue sources of the fund include property taxes of \$2,316,062, the general fund transfer of \$1,350,000 and Oakland County Road Commission contract repayments totaling \$692,320. Approximately 44% of the funds expenditures are related to personnel, the remainder are the operating costs of repairing and maintaining the roads. To help control costs, road department employees had agreed to the same health care and pension changes as the general fund employees. The combination of deteriorating road conditions, dependence upon property tax revenue, and the need for general fund support make this the most vulnerable of the three major operating funds. Much of the local road replacement projects that will be necessary in future years will have to be paid for via special assessments. As a last resort, the responsibility for maintaining the roadways could be returned to the Oakland County Road Commission. Presently, the fund is in reasonable financial condition and management is committed to continue providing high quality road maintenance services to the Township residents.

Public Safety Fund

This special revenue fund is by far the largest within the governmental fund type category. The costs associated with providing police services, fire/EMS services and dispatch services are all paid from this fund. At the end of the fiscal year, the fund balance was \$13,396,443. The overall fund balance increased by \$110,129 compared to the prior year. It is recommended to have fund balance equivalent to 20% of annual expenditures at a minimum. As of the fiscal year end, this fund has fund balance equivalent to 50% of annual expenditures.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

Public Safety Fund (Continued)

Total revenues ended the year at 101% of budget. The public safety fund derives over 91% of its revenue for operations from property taxes, thus this fund has taken a hard financial hit from the decline in taxable property values leading up to a much needed increase the past two years. The general fund transfer has gone from nothing in fiscal year 2010 to \$4,350,000 in fiscal year 2015, and we are projecting the fund to need a transfer of \$4,675,000 next year. If you exclude the transfer, the fund's total revenues increased by over \$1.3 million this year with the majority of that coming from increased property tax revenue, EMS fees, grant revenue, and a one-time other financing source for a capital lease.

Other than property taxes and a transfer from the general fund, the major revenue sources include over \$1,000,000 of EMS Transport Fees, and over \$416,000 in various charges for services. Total expenditures before transfers were \$2,247,797 less than the prior year. This can be attributed to this being the first year without a defined benefit pension expense. It has been replaced with a transfer out to the pension obligation bond debt fund, which is reported in a separate section for transfers. The expenditures before transfers ended the year at 100.1% of budget. This included a purchase of a ladder truck financed through a capital lease arrangement.

The historical trend for this fund has seen fringe benefit expenditures increase at a greater rate than fund revenue that comes mostly from the four public safety property tax millages. This trend over time cannot be sustained. Management must continue to take action that will stop or reverse this trend. This problem has been especially challenging given the lengthy decline in property values causing significant reduction in revenue to this fund. To offset some of the lost revenue a 1.30 mill proposal was passed in February of 2010. Currently, all of the tax collected from this millage is being used to maintain police and fire services as closely as possible to current levels. Despite this source of revenue, management must continue to take action to contain cost increases to this fund. Presently, the Township spends over \$5.2 million on life and health insurance for active and retired public safety personnel. This would be a significantly larger number if we hadn't made changes to the benefits. Public safety employees under union contracts were on pay freezes from fiscal years 2010 to 2013. Negotiated contracts have eliminated the retiree health care benefit for all new hires, replacing it with a much less expensive retiree health savings account. The administration also implemented a new high deductible, consumer directed health care plan for all active Township employees eligible for medical benefits beginning in January 2010.

The legal restrictions on a local government's ability to increase property tax revenues in the state of Michigan makes it very difficult for this or any fund that relies almost exclusively on property tax revenue to absorb expenditure increases greater than the consumer price index for an extended period of time. Consequently, even though the present financial position of the public safety fund is very good and it appears that 2013 marked the bottom of property value declines, management must continue to find ways to permanently contain and/or reduce the rate at which fund expenditures increase. Failure to do so would almost certainly lead to a reduction in the work force hampering the department's ability to provide critical services in a timely manner.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

Campus Construction Debt Fund

This fund was established in 2007 to account for revenues and expenditures related to the sale of \$26,000,000 in bonds to pay for the constructions of a new maintenance facility, new central fire station, a new senior center and a major renovation to another fire station. The bonds were sold in November of 2007 and are backed by the full faith and credit of the Township. This fund accounts for property tax revenue and principal and interest payments related to the bonds. The required debt retirement levy this year was 0.48 mills in order to make the scheduled principal and interest payments of \$1,520,225. After making the \$500,000 principal installment this year the outstanding bond debt was \$23,000,000. The fund had a year end fund balance of \$1,479,161, which is an increase of \$27,509 over the prior year balance of \$1,451,652 with that money necessary to make the principal and interest payments due prior to the next tax levy.

Pension Obligation Bond Debt Fund

This fund was established in 2013 to account for revenues and expenditures related to the sale of \$80,780,000 in bonds to fund the defined benefit pension plan. This was allowed under State of Michigan Public Act 329 of 2012. The taxable bonds are backed by the full faith and credit of the Township. This fund accounts for contribution revenue in the form of transfers from the various Township funds, and in turn makes the principal and interest payments related to the bonds. Principal and interest payments for the year totaled \$7,740,743. After making the \$4,800,000 principal installment this year the outstanding bond debt was \$75,980,000. The fund had a year end fund balance of \$3,194.

Library Debt Fund

This fund was established in 2004 to account for the bonded debt taken on behalf of the Bloomfield Township Public Library (component unit) to pay for a major addition and renovation to their building. The original bond sale was for \$22,875,000 with the final payment due on May 1, 2024. The bonds are backed by the full faith and credit of the Township. This fund accounts for property tax revenue and principal and interest payments related to the bonds. These bonds were refunded in August 2012 to take advantage of lower interest rates. The required debt retirement levy this year was 0.51 mills in order to make the scheduled principal and interest payments of \$1,636,950. After making the \$1,305,000 principal installment this year the outstanding bond debt was \$15,080,000. The fund had a year end fund balance of \$1,659,833, with that money necessary to make the principal and interest payments due prior to the next tax levy.

CAPITAL ASSETS

The Townships total capital assets net of accumulated depreciation for its governmental activities amounted to \$52,979,648. This represents a decrease of \$2,151,792 from the prior year balance of \$55,131,440. The annual amount of depreciation was greater than the amount of new purchases of capital assets.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

CAPITAL ASSETS (Continued)

The business-type activities capital assets amounted to \$54,893,711, an increase of \$4,204,485 when compared to the prior year of \$50,689,226. Most of these assets are being depreciated over an estimated useful life of 50 years. As stated earlier in this report, this fund has been investing restricted cash and bond proceeds into both the water and sewer systems by replacing the aged existing infrastructure. During this fiscal year, the Township spent over \$5.8 million on improvements to the water and sewer systems, compared to \$2,852,862 the prior year.

The capital assets include land, buildings, improvements to properties other than buildings, machinery and equipment, furniture and fixtures, vehicles, infrastructure, water system, sewer system, and Township share of county sewers.

Some capital asset events that occurred during the current fiscal year included the following:

- Road Fund purchased a Forestry Truck at a cost of \$158,053
- Road Fund purchased a skidsteer for \$67,957
- Police Department purchased 5 vehicles at a cost of \$119,298
- Fire Department financed a ladder truck at a cost of \$687,167 with a capital lease
- Fire Department purchased \$125,000 of equipment funded through a grant
- Building Inspection purchased 3 vehicles at a cost of \$76,230
- Cable Studio purchased equipment at a cost of \$42,277
- Safety Path construction at a cost of \$441,411
- W&S Fund purchased a pickup truck equipped with a sewer camera at a cost of \$179,141
- Improvements to water and sewer infrastructure costing \$5,825,076

LONG-TERM DEBT

At the end of the fiscal year, the Township had total governmental long-term debt outstanding, including amounts due within one year, of \$122,535,956. The majority of the governmental debt consists of bonded debt of \$15,080,000 to pay for the library addition and renovation, \$23,000,000 to pay for campus additions and renovations, and \$75,980,000 to fund the defined benefit pension plan. The pension debt payments are funded by the various departments or funds making transfers into a pension obligation bond debt fund which in turn makes the principal and interest payments. The fire department initiated a five-year capital lease on a ladder truck for \$687,167. There is also \$4,010,000 outstanding to pay for six road special assessment districts. The Township sold bonds for these projects and will be repaid by the residents in those districts through annual special assessments. The remaining debt within the governmental funds reflects the Township's share of county debt for various storm sewer projects. Other than the pension debt and special assessment debt, all other governmental activity debt is being paid for via ad valorem property tax levies. There was a reduction to governmental debt of \$7,707,505 and additions of \$4,217,167.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

LONG-TERM DEBT (Continued)

The Township had total business-type debt outstanding, including amounts due within one year, of \$17,345,741. The bonded debt in the business-type activity fund consists of the Township share of county debt obligations for various sanitary sewer construction projects within the Township as well as debt issued by the Township related to the water and sewer system capital improvement programs. The water and sanitary sewer debt obligations are paid for using funds collected from customers on their monthly or quarterly bills. The Township refinanced the 2006 water system bonds in 2014 to save approximately \$350,000 over the life of the bonds.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10% of its state equalized valuation. Special assessment bonds and County issued bonds do not count towards this limit. At the time of the last bond refunding, December 2014, the Township's legal debt margin was 6.5%.

As a result of bond sales over the last decade amounting to over \$68,000,000, much of the Township's major infrastructure and facility needs should be taken care of well into the future. However there are still some roadway, and water and sewer infrastructure challenges ahead in the near term that will likely necessitate new debt issues. The Township administration is currently working on a capital infrastructure plan.

ECONOMIC FACTORS AND LOOKING FORWARD

The Township's present financial condition in both the governmental and the business-type funds is good. Standard & Poor's reaffirmed the Township's AAA bond rating this year. In 2014, Bloomfield Township was ranked 13th Safest City in Michigan by Safewise. We have seen two consecutive years of property taxes increases, along with double digit increases in building inspection fund activities since 2013.

Property tax revenues increased for the second year in a row. State revenue sharing increased this year partially due to the state revamping part of its revenue sharing program but overall is still historically low. The state economy continues to improve, and so we expect state revenue sharing to continue to increase annually.

Even though property values appear to be rising significantly, property tax increases will be limited to the rate of inflation or 5%, whichever is less. The consumer price index this year was 1.6%. It will take constant monitoring to insure budget restraints and requirements are achieved.

In 2013, the Township addressed its pension liability by selling pension obligation bonds. This stabilized an annual expenditure that used to fluctuate year to year based upon an actuarial report.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

ECONOMIC FACTORS AND LOOKING FORWARD (Continued)

Moving forward, the focus should be on the OPEB liability. The Township has always been on a pay-as-you-go basis for this liability, and this is not only allowable by law but is practiced by many municipalities. The Township did analyze whether it would make sense to fund the OPEB liability with bonds similar to the pension. The conclusion was that the debt would be unsustainable, meaning the annual debt costs would far exceed what the fund budgets could afford. A few years ago, GASB began requiring entities to report this liability on the government-wide statements, which dramatically changes the financial picture of the Township when comparing the modified accrual statements to the full accrual statements. This adjustment adds over \$7.2 million in OPEB liability to the statements each year. The total liability according to the latest actuarial report is \$150 million. As of the end of the fiscal year, the Township had set aside \$2.6 million towards funding retiree health care. While it may not seem like much when compared to the total liability, it shows the Township is attempting to address the issue even at a time where surplus funds have been almost non-existent.

Please refer to Table 1 presented earlier. As of March 31, 2014, the unrestricted net position was \$.9 million, and the total net position was \$39.4 million. As of March 31, 2015, the unrestricted net position is a negative \$(3.7) million and total net position is \$32.7 million.

In last year's report we noted that we expected to report a negative unrestricted net position as of March 31, 2015, and a negative total net position within 5-6 years after that. The first part of that statement has come true, and the latter may occur sooner than originally expected. This means at the government-wide level, which reports on a full accrual basis, the Township will have total liabilities that are greater than total assets. The Governmental Accounting Standards Board (GASB) recently released exposure drafts on OPEB liabilities. It is expected that in the next two to three years the final regulations will be released which will require municipalities to report OPEB liabilities in the same or similar manner to how pension liabilities are being reported. For the Township, this means instead of adding \$7.2 million in OPEB liability each year, we would be required to report the entire \$150 million liability on the government wide statements. Keep in mind though, that the OPEB liabilities being reported are long-term in nature. When this occurs, all municipalities will be facing the same scenario but to varying degrees. The Township has always addressed the OPEB liabilities on a pay-as-you-go basis and plan to continue to do so in the future. The credit rating agencies have been well aware of this for many years, and understand that the Township is operationally in a very strong position.

The condition of roads has been poor for many years, not only in the Township but throughout the entire state. Since 2013, the Township has assisted residents with the formation of six road special assessment districts (SAD), with four more expected to be finalized in the 2015-16 fiscal year. Road SAD's have become more popular with residents in recent years as a way to fix subdivision roads, yet be able to pay for the cost over 15 years. The state passed Public Act 429 of 2014 which amended prior legislation on treatment of special assessments to the benefit of the residents.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS
March 31, 2015

ECONOMIC FACTORS AND LOOKING FORWARD (Continued)

The year 2013 marked the close of the 5-year strategic plan, and since then administration has been working on a capital infrastructure plan. We expect that plan to be finalized in 2015-16. Management's ability to find ways to continue to contain expenditures in this challenging financial environment will determine the long-term outlook for the Township's ability to provide services. However, quite often the greater the potential benefit the more difficult the potential solution becomes. Township management is committed to taking a proactive approach in the anticipation and resolution of each and every challenge we presently face. The ultimate goal is to continue to provide services in the public sector with as much local control and access as possible. Management remains confident that the employees and elected officials of Bloomfield Township possess the capability, foresight, and resolve necessary to successfully meet these challenges.

REQUESTS FOR INFORMATION

Questions concerning any of the information contained in this report or requests for additional financial information should be addressed to the Bloomfield Township Finance Director, 4200 Telegraph Road, Bloomfield Township, MI 48302. The Township's comprehensive strategic plan and current budget information are available on the Township website: www.bloomfieldtwp.org.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF NET POSITION
March 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Library
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 16,517,129	\$ 4,100,116	\$ 20,617,245	\$ 590,823
Marketable securities	29,559,848	8,675,630	38,235,478	9,011,308
Receivables	3,285,085	4,192,161	7,477,246	-
Due from component unit	244,506	-	244,506	-
Prepaid items	163,630	-	163,630	18,743
Inventory	410,227	124,989	535,216	-
Total current assets	50,180,425	17,092,896	67,273,321	9,620,874
NONCURRENT ASSETS				
CAPITAL ASSETS				
Nondepreciable assets:				
Land	828,648	-	828,648	131,015
Other	-	2,998,534	2,998,534	-
Depreciable assets:				
Land improvements	23,781,683	-	23,781,683	-
Building	45,271,700	-	45,271,700	26,693,479
Machinery, furniture and equipment	21,929,275	2,020,172	23,949,447	4,649,545
Library books and audiovisual materials	-	-	-	4,795,980
Investment in system	13,082,267	89,854,532	102,936,799	-
Less accumulated depreciation	(51,913,925)	(39,979,527)	(91,893,452)	(11,146,712)
Total capital assets	52,979,648	54,893,711	107,873,359	25,123,307
OTHER ASSETS - Long-term receivables	20,786,007	-	20,786,007	-
Total noncurrent assets	73,765,655	54,893,711	128,659,366	25,123,307
Total assets	123,946,080	71,986,607	195,932,687	34,744,181
DEFERRED OUTFLOWS OF RESOURCES -				
Prepaid pension obligation	74,614,715	-	74,614,715	-
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable and accrued expenses	2,785,000	1,360,888	4,145,888	138,391
Due to primary government	-	-	-	244,506
Unearned revenue	-	78,475	78,475	-
Amount due within one year	6,004,566	1,083,982	7,088,548	150,201
Total current liabilities	8,789,566	2,523,345	11,312,911	533,098
NONCURRENT LIABILITIES				
Postemployment benefit obligations	35,080,095	2,762,352	37,842,447	1,791,887
Amounts due in more than one year	120,254,376	16,402,218	136,656,594	307,611
Total noncurrent liabilities	155,334,471	19,164,570	174,499,041	2,099,498
Total liabilities	164,124,037	21,687,915	185,811,952	2,632,596
DEFERRED INFLOWS OF RESOURCES -				
Unearned revenue	1,766,584	-	1,766,584	-
NET POSITION				
Net investment in capital assets	28,615,545	37,918,711	66,534,256	25,123,307
Restricted for:				
Debt service	4,049,138	-	4,049,138	-
Roads and safety paths	3,558,243	-	3,558,243	-
Community enrichment	179,689	-	179,689	-
Gifts	-	-	-	176,366
Unrestricted	(3,732,441)	12,379,981	8,647,540	6,811,912
Total net position	\$ 32,670,174	\$ 50,298,692	\$ 82,968,866	\$ 32,111,585

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF ACTIVITIES
Year Ended March 31, 2015

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-Type Activities	Total	
Primary government:								
Governmental activities:								
Legislative	\$ 20,533	\$ -	\$ -	\$ -	\$ (20,533)	\$ -	\$ (20,533)	\$ -
Judicial	1,864,078	1,748,156	-	-	(115,922)	-	(115,922)	-
General government	11,520,671	4,930,775	-	-	(6,589,896)	-	(6,589,896)	-
Public works	12,221,532	792,763	-	-	(11,428,769)	-	(11,428,769)	-
Public safety	29,335,821	1,568,818	164,436	-	(27,602,567)	-	(27,602,567)	-
Community enrichment	3,878,405	1,786,296	109,505	-	(1,982,604)	-	(1,982,604)	-
Debt service	4,571,188	-	-	-	(4,571,188)	-	(4,571,188)	-
Other	157,682	-	-	-	(157,682)	-	(157,682)	-
Total governmental activities	63,569,910	10,826,808	273,941	-	(52,469,161)	-	(52,469,161)	-
Business-Type activities -								
Water and sewer	19,514,559	19,380,289	-	44,294	-	(89,976)	(89,976)	-
Total primary government	<u>\$ 83,084,469</u>	<u>\$ 30,207,097</u>	<u>\$ 273,941</u>	<u>\$ 44,294</u>	<u>\$ (52,469,161)</u>	<u>\$ (89,976)</u>	<u>\$ (52,559,137)</u>	<u>\$ -</u>
Component unit - Library	<u>\$ 6,454,057</u>	<u>\$ 12,841</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (6,441,216)</u>
			General revenues:					
			Taxes and assessments		\$ 39,758,599	\$ -	\$ 39,758,599	\$ 6,452,114
			State shared revenue		3,195,366	-	3,195,366	24,189
			Circulation revenue		-	-	-	120,699
			Reimbursements		241,176	-	241,176	-
			Miscellaneous		90,049	17,470	107,519	172,649
			Unrestricted investment earnings		353,453	48,163	401,616	74,512
			Capital contributions		-	262,130	262,130	-
			Transfer from Agency Fund		2,169,021	-	2,169,021	-
			Transfer to Retiree Health Care Fund		(500,000)	-	(500,000)	-
			Transfer to Pension Obligation Fund		388,638	(388,638)	-	-
			Total general revenues and transfers		<u>45,696,302</u>	<u>(60,875)</u>	<u>45,635,427</u>	<u>6,844,163</u>
			CHANGE IN NET POSITION		(6,772,859)	(150,851)	(6,923,710)	402,947
			NET POSITION, Beginning of year		<u>39,443,033</u>	<u>50,449,543</u>	<u>89,892,576</u>	<u>31,708,638</u>
			NET POSITION, End of year		<u>\$ 32,670,174</u>	<u>\$ 50,298,692</u>	<u>\$ 82,968,866</u>	<u>\$ 32,111,585</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
BALANCE SHEET
GOVERNMENTAL FUNDS
March 31, 2015

	<u>General</u>	<u>Road</u>	<u>Public Safety</u>	<u>Library Debt Retirement</u>	<u>Campus Construction Debt Retirement</u>	<u>Pension Obligation Bond Debt Retirement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS								
Cash and cash equivalents	\$ 172,652	\$ 42,980	\$ 281,609	\$ 1,659,833	\$ 1,479,161	\$ 3,194	\$ 10,708,679	\$ 14,348,108
Marketable securities	8,572,394	2,041,774	13,462,712	-	-	-	5,482,968	29,559,848
Receivables (net):								
Delinquent taxes	1,435,470	-	-	-	-	-	-	1,435,470
Component unit	244,506	-	-	-	-	-	-	244,506
Special assessment	-	-	-	-	-	-	3,575,136	3,575,136
Other	1,293,008	255,368	65,990	-	-	-	383,139	1,997,505
Prepaid items	163,630	-	-	-	-	-	-	163,630
Inventory	259,515	150,712	-	-	-	-	-	410,227
Total assets	\$ 12,141,175	\$ 2,490,834	\$ 13,810,311	\$ 1,659,833	\$ 1,479,161	\$ 3,194	\$ 20,149,922	\$ 51,734,430
LIABILITIES - Accounts payable and accrued expenses								
	\$ 302,813	\$ 53,688	\$ 413,868	\$ -	\$ -	\$ -	\$ 205,532	\$ 975,901
DEFERRED INFLOW OF RESOURCES -								
Special assessments	-	-	-	-	-	-	1,733,029	1,733,029
FUND BALANCES								
Nonspendable:								
Inventory and prepaid items	423,145	150,712	-	-	-	-	-	573,857
Long-term advances receivable	101,250	-	-	-	-	-	-	101,250
Restricted:								
Debt service	-	-	-	1,659,833	1,479,161	3,194	2,925,260	6,067,448
Roads and safety paths	-	2,286,434	-	-	-	-	3,801,428	6,087,862
Public safety	-	-	13,396,443	-	-	-	928,188	14,324,631
Community enrichment	-	-	-	-	-	-	179,689	179,689
Assigned:								
Community enrichment	-	-	-	-	-	-	8,205,116	8,205,116
Building inspection	-	-	-	-	-	-	2,171,680	2,171,680
Unassigned	11,313,967	-	-	-	-	-	-	11,313,967
Total fund balances	11,838,362	2,437,146	13,396,443	1,659,833	1,479,161	3,194	18,211,361	49,025,500
Total liabilities and fund balances	\$ 12,141,175	\$ 2,490,834	\$ 13,810,311	\$ 1,659,833	\$ 1,479,161	\$ 3,194	\$ 20,149,922	\$ 51,734,430

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
Reconciliation of the Balance Sheet of Governmental Funds to the Statement
of Net Position
March 31, 2015

FUND BALANCE REPORTED IN GOVERNMENTAL FUNDS \$ 49,025,500

Amounts reported for governmental activities in the statement of net position are different because:

Adjustments required to convert balances to full accrual basis from modified accrual basis.

Add: service receivable	3,658
Add: special assessment receivable	17,059,324
Deduct: accounts payable	(3,535)
Deduct: accrued interest payable	(1,805,565)
Deduct: deferred revenue	(33,555)
Add: deferred outflow of resources	74,614,715

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

Add: capital assets	104,893,573
Deduct: accumulated depreciation	(51,913,925)

Certain liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Deduct: contracts and loans payable	(122,535,956)
Deduct: compensated absences	(1,553,965)
Deduct: postemployment benefit obligations	<u>(35,080,095)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 32,670,174

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended March 31, 2015

	General	Road	Public Safety	Library Debt Retirement	Campus Construction Debt Retirement	Pension Obligation Bond Debt	Other Governmental Funds	Total Governmental Funds
REVENUE								
Taxes and assessments	\$ 7,470,245	\$ 2,316,062	\$ 20,128,430	\$ 1,648,993	\$ 1,551,991	\$ -	\$ 8,031,620	\$ 41,147,341
Grants	-	-	164,436	-	-	-	109,263	273,699
Road fund repayments	-	692,320	-	-	-	-	-	692,320
State shared revenues	3,195,366	-	-	-	-	-	-	3,195,366
Charges for services	585,186	-	1,430,105	-	-	-	368,764	2,384,055
Licenses, permits and fees	992,224	43,718	17,070	-	-	-	2,682,447	3,735,459
Investment earnings	254,112	-	-	-	-	-	99,341	353,453
Fines and forfeitures	1,757,956	-	-	-	-	-	48,327	1,806,283
Rent	1,156,579	-	-	-	-	-	-	1,156,579
Fees	-	-	-	-	-	-	383,976	383,976
Reimbursements	143,326	27,237	44,339	-	-	-	37,742	252,644
Miscellaneous	365,154	57,287	62,655	-	-	-	28,608	513,704
Total revenue	15,920,148	3,136,624	21,847,035	1,648,993	1,551,991	-	11,790,088	55,894,879
EXPENDITURES								
Operating:								
Legislative	20,533	-	-	-	-	-	-	20,533
Judicial	1,864,078	-	-	-	-	-	-	1,864,078
General government	5,742,904	-	-	-	-	-	1,145,146	6,888,050
Public works	-	3,874,431	-	-	-	-	5,048,719	8,923,150
Public safety	210,542	-	20,913,322	-	-	-	477,850	21,601,714
Community enrichment and development	295,830	-	-	-	-	-	2,953,876	3,249,706
Debt service	-	-	-	3,715	3,507	-	3,076	10,298
Other	157,682	-	-	-	-	-	-	157,682
Capital outlay	48,977	232,988	1,118,542	-	-	-	639,214	2,039,721
Debt service:								
Principal retirement	-	-	-	1,305,000	500,000	4,800,000	1,102,505	7,707,505
Interest and fiscal changes	-	-	-	332,050	1,020,975	2,940,993	246,193	4,540,211
Total expenditures	8,340,546	4,107,419	22,031,864	1,640,765	1,524,482	7,740,993	11,616,579	57,002,648
REVENUES OVER (UNDER) EXPENDITURES	7,579,602	(970,795)	(184,829)	8,228	27,509	(7,740,993)	173,509	(1,107,769)
OTHER FINANCING SOURCES (USES)								
Other financing sources	-	-	687,167	-	-	-	918	688,085
Bond proceeds	-	-	-	-	-	-	3,530,000	3,530,000
Transfers in	-	1,350,000	4,350,000	-	-	6,890,743	228,429	12,819,172
Transfers out	(7,381,418)	(315,596)	(4,742,209)	-	-	-	(250,134)	(12,689,357)
Total other financing sources (uses)	(7,381,418)	1,034,404	294,958	-	-	6,890,743	3,509,213	4,347,900
NET CHANGE IN FUND BALANCES	198,184	63,609	110,129	8,228	27,509	(850,250)	3,682,722	3,240,131
FUND BALANCES, Beginning of year	11,640,178	2,373,537	13,286,314	1,651,605	1,451,652	853,444	14,528,639	45,785,369
FUND BALANCES, End of year	\$ 11,838,362	\$ 2,437,146	\$ 13,396,443	\$ 1,659,833	\$ 1,479,161	\$ 3,194	\$ 18,211,361	\$ 49,025,500

The accompanying notes are an integral part of these financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
Reconciliation of the Statement of Revenues, Expenditures, and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended March 31, 2015

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS **\$ 3,240,131**

Amounts reported for governmental activities in the statement of activities are different because:
Adjustments required to convert balances to full accrual basis from modified accrual basis

Deduct: service receivables	(395)
Deduct: deposits and accrued expenses	(620)
Deduct: special assessment receivables	(1,389,390)
Deduct: deferred revenue	(7,799)
Deduct: accrual for interest	(3,557)
Deduct: deferred outflow of resources	(2,644,821)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense

Add: capital outlay	1,755,654
Deduct: depreciation expense	(3,907,447)

Governmental funds report bond proceeds as revenues. However, in the statement of net position, the receipt of those assets are allocated to the marketable securities and expenses related to the project

Deduct: bond proceeds net of discount/premiums	(3,547,121)
Deduct: capital lease proceeds	(687,167)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position

Add: principal payments on long term liabilities	7,707,505
Add: increase in the accrual for compensated absences	5,172
Deduct: increase in the accrual for post employment benefits	<u>(7,293,004)</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ (6,772,859)**

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF NET POSITION
PROPRIETARY FUND
March 31, 2015

	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water & Sewer</u>	<u>Proprietary Internal Service Fund</u>
ASSETS		
CURRENT ASSETS		
Cash, cash equivalents and investments:		
Unrestricted	\$ 680,136	\$ 2,169,021
Restricted	3,419,980	-
Marketable securities - unrestricted	8,675,630	-
Receivables (net):		
Customers	4,053,127	-
Other	139,034	-
Inventory	124,989	-
	<u>17,092,896</u>	<u>2,169,021</u>
Capital assets		
Machinery and equipment	2,020,172	-
Investment in system	92,853,066	-
	<u>94,873,238</u>	<u>-</u>
Less accumulated depreciation	39,979,527	-
	<u>54,893,711</u>	<u>-</u>
Net capital assets		
	<u>71,986,607</u>	<u>2,169,021</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	1,360,888	-
Amounts due within one year	1,083,982	-
Unearned revenue	78,475	-
	<u>2,523,345</u>	<u>-</u>
Total current liabilities		
	<u>2,523,345</u>	<u>-</u>
NONCURRENT LIABILITIES		
Postemployment benefit obligation	2,762,352	-
Amounts due in more than one year	16,402,218	2,169,021
	<u>19,164,570</u>	<u>2,169,021</u>
Total noncurrent liabilities		
	<u>21,687,915</u>	<u>2,169,021</u>
NET POSITION		
Net invested in capital assets	37,918,711	-
Unrestricted	12,379,981	-
	<u>50,298,692</u>	<u>-</u>
Total net position		
	<u>\$ 50,298,692</u>	<u>\$ -</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF REVENUES, EXPENSES AND NET POSITION
PROPRIETARY FUND
Year Ended March 31, 2015

	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water & Sewer</u>	<u>Proprietary Internal Service Fund</u>
OPERATING REVENUES		
Water sales	\$ 8,471,838	\$ -
Sewer usage	8,819,615	-
Debt service charges	1,397,770	-
Privilege fees	315,541	-
Tap sales	37,300	-
Meter material and service sales	83,722	-
Water capital charges	34,500	-
Late payment penalties	200,982	-
Federal grants	44,294	-
	<u>19,405,562</u>	<u>-</u>
DIRECT COSTS		
Water purchased	5,589,158	-
Treatment charges	6,765,356	-
Depreciation	1,834,131	-
Tap costs	48,029	-
Meters, materials and service costs	35,294	-
Sick pay	-	2,169,021
	<u>14,271,968</u>	<u>2,169,021</u>
OPERATING AND ADMINISTRATIVE EXPENSES		
	<u>4,485,316</u>	<u>-</u>
Operating profit	<u>648,278</u>	<u>(2,169,021)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest	48,163	-
Interest	(677,730)	-
Reimbursements	15,236	-
Miscellaneous	(58,290)	-
	<u>(672,621)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(672,621)</u>	<u>-</u>
Loss before contributions and transfers	<u>(24,343)</u>	<u>(2,169,021)</u>
CONTRIBUTIONS AND TRANSFERS		
Transfer from Agency Fund	-	2,169,021
Transfer out to Pension Obligation Bond Debt Fund	(388,638)	-
Capital contributions	262,130	-
	<u>(126,508)</u>	<u>2,169,021</u>
Total contributions and transfers	<u>(126,508)</u>	<u>2,169,021</u>
Change in net position	(150,851)	-
NET POSITION, Beginning of year	<u>50,449,543</u>	<u>-</u>
NET POSITION, End of year	<u>\$ 50,298,692</u>	<u>\$ -</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
March 31, 2015

	<u>Enterprise Fund</u>	<u>Governmental Activities</u>
	<u>Water & Sewer</u>	<u>Proprietary Internal Service Fund</u>
Cash Flows from Operating Activities		
Receipts from customers	\$ 17,542,690	\$ -
Receipts from other governments	44,294	-
Receipts from miscellaneous	1,663,564	-
Payments to employees	(2,201,671)	-
Payments to suppliers	(14,950,054)	-
	<u>2,098,823</u>	<u>-</u>
Net cash provided by operating activities	2,098,823	-
Cash Flows from Noncapital Financing Activities		
Receipts from other governments	15,236	-
Transfers from other funds	-	2,169,021
	<u>15,236</u>	<u>2,169,021</u>
Net cash provided by noncapital financing activities	15,236	2,169,021
Cash Flows from Capital and Related Financing Activities		
General obligation contracts with County		
Principal payments	(4,143,982)	-
Interest and fiscal charges	(712,818)	-
Bond premium	175,971	-
Bond proceeds	3,275,000	-
Transfer to other funds	(388,638)	-
Proceeds from sale of capital assets	17,470	-
Purchase of capital assets	(5,776,486)	-
	<u>(7,553,483)</u>	<u>-</u>
Net cash used in capital and related financing activities	(7,553,483)	-
Cash Flows from Investing Activities		
Proceeds from sale of investments	666,058	-
Investment income	48,163	-
Miscellaneous	(58,290)	-
	<u>655,931</u>	<u>-</u>
Net cash provided by investing activities	655,931	-
Net increase (decrease) in cash, cash equivalents and investments	(4,783,493)	2,169,021
Cash, Cash Equivalents and Investments, Beginning of year	<u>8,901,079</u>	<u>-</u>
Cash, Cash Equivalents and Investments, End of year	<u>\$ 4,117,586</u>	<u>\$ 2,169,021</u>
Statement of net position classification of cash and cash equivalents		
Unrestricted	\$ 680,136	\$ 2,169,021
Restricted	3,419,980	-
Totals	<u>\$ 4,100,116</u>	<u>\$ 2,169,021</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
March 31, 2015

	<u>Enterprise Fund</u>
	<u>Water & Sewer</u>
Reconciliation of operating profit to net cash provided by operating activities	
Operating profit	\$ 648,278
Adjustments to reconcile operating profit to net cash provided by operating activities:	
Depreciation	1,834,131
(Increase) decrease in:	
Receivables from customers	(228,754)
Receivables from others	64,812
Inventory	27,487
Increase (decrease) in:	
Accounts payable and accrued expenses	(958,554)
Unearned revenue	8,928
Postemployment benefits	693,534
Employee compensated absences	8,961
	<hr/>
Net cash provided by operating activities	<u>\$ 2,098,823</u>

Noncash capital financing activities

Capital assets of \$262,130 were acquired through contributions from others.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
March 31, 2015

	Pension & Other Employee Benefit Trust Funds	Agency Fund
	<u> </u>	<u> </u>
ASSETS		
Cash	\$ 500,000	\$ 630,804
Investments:		
Mutual funds	80,485,459	-
Guaranteed deposit account fixed income fund	139,459,146	-
Contribution receivable	24,692	-
	<u> </u>	<u> </u>
Total assets	<u>\$ 220,469,297</u>	<u>\$ 630,804</u>
LIABILITIES		
Accounts payable and withholdings	\$ -	\$ 38,224
Deposits and other liabilities:		
Escrow deposits	-	262,448
Refundable deposits	-	231,257
Other	-	98,875
	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>\$ 630,804</u>
NET POSITION - Held in trust for pension and other employee benefits	<u>\$ 220,469,297</u>	

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
March 31, 2015

	<u>Pension & Other Employee Benefit Trust Funds</u>
ADDITIONS	
Contributions:	
Employer	\$ 4,826,460
Employee	<u>403,139</u>
Total contributions	<u>5,229,599</u>
Investment income:	
Net change in fair value of investments	1,976,201
Interest	5,025,568
Dividends	<u>3,880,154</u>
Total investment income	<u>10,881,923</u>
Total additions	<u>16,111,522</u>
DEDUCTIONS	
Distributions	13,358,508
Administrative fees	<u>81,962</u>
Total deductions	<u>13,440,470</u>
Change in net position	2,671,052
NET POSITION, Beginning of year	<u>217,798,245</u>
NET POSITION, End of year	<u><u>\$ 220,469,297</u></u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Charter Township of Bloomfield, County of Oakland, State of Michigan (the "Township") are prepared in accordance with 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 Township.

Financial Reporting Entity

Description of Reporting Entity

The Charter Township of Bloomfield, County of Oakland, State of Michigan was organized in 1827 as a common law township and was known as Bloomfield Township until October 14, 1993. On October 15, 1993, the State of Michigan recognized the incorporation of the Township and it is now known as the Charter Township of Bloomfield, Michigan.

The Township covers an area of approximately 25 square miles. Operations are governed by an elected board of seven trustees, including a full time supervisor, clerk and treasurer. The Township's government provides legislative, judicial, public safety, public works, community enrichment and development and general government services to approximately 41,000 residents.

In accordance with GAAP and Governmental Accounting Standards Board (GASB) Statement No. 14 "The Financial Reporting Entity", these financial statements present the Township (the primary government) and its component unit, an entity for which the Township is considered to be financially accountable. The Component unit discussed below is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the Township.

Discretely Presented Component Unit — Bloomfield Township Public Library

The Bloomfield Township Public Library (the "Library") was organized in 1963. The Library operates under an autonomous library board and provides library services to the residents of the Township. The Library Board is required to report to the Township Board of Trustees regarding the expenditures of funds and other information about Library operations. The Library may not issue debt or levy a tax without the approval of the Township's Board of Trustees. If approval is granted, the Library taxes are levied under the taxing authority of the Township, as approved by the Township's electors, and would be included as part of the Township's total tax levy, as well as reported in a Library revenue fund. Financial statements of the Library may be obtained from the Township's Clerk's office.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Bloomfield Village Association

Bloomfield Village Association (the "Association") (presented as "Bloomfield Village" in the financial statements) is a subdivision association located within the Township. Residents who live within the Association's boundaries have consented to be a special assessment district within the Township. The special assessment is to provide extra police and fire services to the residents of the Association over and above the Township's general public safety services. This assessment activity is shown as special revenue funds of the Township. This Association is not considered a component unit of the Township.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of interfund activity has been removed from these statements. *Governmental* activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component* units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants, franchise fees and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements, except for agency funds, which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as 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.

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

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

The government reports the following major governmental funds:

General

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

Road

The *Road fund* is a special revenue fund to account for a tax levy for the purpose of providing street improvement and maintenance services to the Township's residents.

Public Safety

The *Public Safety fund* is a special revenue fund to account for a tax levy for the purpose of providing police and fire protection services to the Township's residents.

Pension Obligation Bond Debt Fund

The *Pension Obligation Bond Debt* fund is a debt service fund used to collect transfers from other governmental and enterprise funds to pay the annual principal and interest due on the pension obligation bonds.

Library Debt Retirement

The *Library Debt Retirement fund* is a debt service fund used to account for the collection of a special voted property tax millage restricted for retirement of debt related to library construction bonds.

Campus Construction Debt Retirement

The *Campus Construction Debt Retirement fund* is a debt service fund used to collect funds for retirement of debt related to campus construction bonds.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

The government reports the following major proprietary fund:

Water and Sewer

The *Water and Sewer fund* accounts for the activities of the government's water distribution, sewage disposal and related treatment systems.

Additionally, the government reports the following other fund types:

The *special revenue funds* account for revenue sources that are legally restricted or committed to expenditures for specific purposes, not including major capital projects.

The *Retirement System Pension Trust* is used to account for pension assets reserved for future pension obligations.

The *Retiree Health Care fund* is used to account for assets reserved for future health care costs of retirees.

The *Special Assessment Debt fund* is a debt service fund used to account for the payment of interest and principal on long-term special assessment debt funded by special assessment districts.

The *Drain-at-Large fund* is a debt service fund used to collect funds for retirement of debt related to construction, repair, and maintenance of drains.

The *Special Assessment Capital Projects fund* is a capital project fund used to account for the construction of capital assets funded in whole or part by long-term special assessment debt.

The *401(a) Defined Contribution Plan fund* is used to account for future retirement benefits for eligible employees.

The *Agency funds* account for assets held for other governments in an agency capacity.

The *Internal Service fund* is used to account for and collect funds from various departments for accumulated employee sick pay.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting and Financial Statement Presentation
(Continued)

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants, franchise fees and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water and sewer enterprise fund are charges to customers for sales and services. The enterprise fund also recognizes as operating revenues the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund includes the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Assets, Liabilities and Fund Equity

Cash, Cash Equivalents and Investments

For purposes of the statement of cash flows, demand deposits and short-term investments with an original maturity of three months or less are considered to be cash equivalents. In addition, the statement of cash flows includes both restricted and unrestricted cash and cash equivalents.

Investments are stated at fair value based on quoted market prices.

Investment income from cash and cash equivalents is assigned to the water and sewer fund based on the average amount invested by this fund during the year. The remainder of the investment income is assigned to the general fund. Income is recorded when received which is not materially different from the modified accrual basis.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Inventory

Inventory is recorded at the lower of cost or market, with cost determined on a first-in, first-out basis. Market is based on the lower of replacement cost or net realizable value. Inventory, which consists of materials and supplies, is recorded as expenditures (in the governmental fund types) and expenses (in the proprietary fund type) when used.

Prepaid Items

Prepaid items are costs incurred during the current fiscal year for which benefit will be received in a future fiscal year and are recorded in both the government-wide and fund financial statements.

Restricted Assets

In the Water and Sewer Fund, certain resources set aside for the repayment of bonds are classified as restricted assets on the statement of net position because their use is limited by applicable bond covenants. Also, certain resources of the Water and Sewer Fund have been set aside to fund capital asset replacements.

Capital Assets

Capital assets of all funds and the component unit are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated. Capital assets, which include property, plant equipment and infrastructure assets (e.g., sidewalks and drains) are reported in the government-wide financial statements. Capital assets are defined by the Township as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are not capitalized.

Interest costs are incurred by the proprietary fund when debt proceeds are used to finance the construction of assets. It is the Township's policy that such costs be expensed rather than capitalized as part of the cost of the assets constructed.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Capital Assets (Continued)

Capital assets of the primary government are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	15
Buildings	40
Vehicles	3-20
Machinery & equipment	10
Infrastructure & water and sewer system improvements	15-50

Long term Liabilities

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other non-current obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences and Sick Pay Funding

Full-time permanent employees are granted vacation and sick pay benefits in varying amounts up to specified maximums. Township employees have the option of accumulating earned and unused sick and vacation pay. There are certain limits on the amount of sick and vacation pay which can be accumulated; these limits vary and depend on tenure and/or department. Employees are entitled to their accrued vacation leave and, in certain circumstances, a portion of their sick pay upon termination. Employees are entitled to a portion of their sick pay balance upon retirement.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Compensated Absences and Sick Pay Funding (Continued)

Each year, cash is transferred to the Internal Service Fund for accumulated sick pay at the end of the fiscal year. The estimated sick pay liability is reported as a liability in the fund.

As of March 31, 2015, accrued payroll taxes on sick pay and accrued vacation pay were not funded. Consequently, these unfunded amounts are shown as a liability for employees' compensated absences and are included in long term liabilities on the government-wide financial statements.

Deferred Outflows of Resources

The Township reports decreases in net position that relate to future periods as deferred outflows of resources in a separate section of its government-wide statement of net position. The only deferred outflow of resources reported in this year's financial statements is a deferred amount arising from the prepayment of pension cost. This deferred pension cost is the result of a large pension contribution made in the prior year over and above the Township's normal pension cost which was made to help defray future pension costs. The Township did not have deferred outflows of resources to report in its proprietary fund financial statements for the current year.

Deferred Inflows of Resources

The Township's governmental funds report a separate section for deferred inflows of resources. This separate financial statement element reflects an increase in net position that applies to a future period(s). The Township will not recognize the related revenues until a future event occurs. The Township has only one type of item which occurs because governmental fund revenues are not recognized until available (collected not later than 60 days after the end of the Township's fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, deferred special assessment revenues are reported in the governmental funds balance sheet and the government-wide statement of net position. The Township did not have deferred inflows of resources to report in its proprietary fund financial statements for the current year.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Government-wide and Proprietary Fund Net Position

Government-wide and proprietary fund net positions are divided into three components:

Net investment in capital assets-consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets plus deferred outflows of resources less deferred inflows of resources related to those assets.

Restricted net position-consist of assets that are restricted by the Township's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

Unrestricted-all other net position is reported in this category.

Fund Balance Flow Assumptions

It is the Township'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/Net Position Policies

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

The committed fund balance classification includes amounts that can be used only for specific purposes determined by a formal action of the Township's highest level of decision making authority. The Township's Board of Trustees (the Board) is the highest level of decision-making authority for the Township 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 (adoption of another ordinance) to remove or revise the limitation.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Fund Equity (Continued)

Fund Balance/Net Position Policies (Continued)

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 Board has by resolution authorized the Finance Director to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's 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 the assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The Township has designated funds in the proprietary fund to be used for water & sewer capital improvements and for other post-employment benefits (OPEB). At March 31, 2015, over \$9 million was designated for capital improvements and over \$2 million was designated for OPEB costs.

Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications

Certain amounts in the Library's (Component Unit) financial statements have been reclassified in order to conform to the presentation of the Township's (Reporting Entity) financial statements.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS

Michigan Compiled Laws, Section 129.91, authorizes the Township to deposit and invest in the accounts of Federally insured banks, credit unions and savings and loan associations; bonds, securities and other direct obligations of the United States, or any agency or instrumentality of the United States; United States government or Federal agency obligation repurchase agreements; bankers' acceptance of United States banks; commercial paper rated by two standard rating agencies within the two highest classifications, which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan. Financial institutions eligible for deposit of public funds must maintain an office in Michigan.

The Township Board has designated six banks for the deposit of Township funds. The investment policy adopted by the board has authorized investment in the certificates of deposit of local banks, bonds, securities, and other direct obligations of the United States, certain fixed income securities, and United States Treasury bills, but not the remainder of the State statutory authority as listed above.

The Township's retirement system investments are held in trust by the investment fiduciary. Michigan Compiled Laws, Section 38.1132, authorizes the Township's retirement system to invest in a wide variety of investments including stocks, bonds, certificates of deposit, real estate, annuity contract obligations of a specified nature, and real or personal property. Specific limitations apply to the various investment types depending on the size of the system. However, all of the Township's retirement system investments are in mutual funds, insurance mutual funds or in insurance company separate accounts, and therefore, are uncategorized as to risk.

At year-end, the Local Unit's deposits and investments were reported in the basic financial statements in the following categories:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Fiduciary Funds</u>	<u>Total Primary Government</u>	<u>Component Unit</u>
Cash and cash equivalents	\$ 16,517,129	\$ 4,100,116	\$ 630,804	\$ 21,248,049	\$ 590,823
Investments	<u>29,559,848</u>	<u>8,675,630</u>	<u>-</u>	<u>38,235,478</u>	<u>9,011,308</u>
Total	<u>\$ 46,076,977</u>	<u>\$ 12,775,746</u>	<u>\$ 630,804</u>	<u>\$ 59,483,527</u>	<u>\$ 9,602,131</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. The bank balance of the primary government's deposits is \$40,346,822 of which \$1,250,000 is covered by federal depository insurance and \$22,346,330 is collateralized under an agreement with the bank. The component unit had no bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized.

Credit Risk

State law limits investments in commercial paper to the two highest classifications rated by the two standard rating agencies. Furthermore, the Township's investment policy states that investments in fixed income securities must be AAA rated by Standard & Poor's, have maturities of five years or less, be readily marketable issues, and have significant trading volume within a continuous market and are within the parameters of MCL 41.77 and MCL 129.91. The following is an illustration, with the level of investment displayed as a percentage of total investments exposed to credit risk.

**Credit Quality Distribution of Securities
With Credit Exposure as a Percentage of Total Investments**

Primary Government Investment

Money market funds	\$	3,299,287	Not Rated
Fixed income mutual funds	\$	16,936,191	AAA

Certificates of deposit	\$	18,000,000	Not Rated
-------------------------	----	------------	-----------

Component Unit Investment

Money market funds	\$	4	Not Rated
Fixed income mutual funds	\$	9,011,304	AAA/AA

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 2 – CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

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. As a means of limiting its exposure to fair value losses arising from interest rates, the Township's investment policy restricts investment maturities of fixed income securities to five years or less. At year end, the Township had the following investments and maturities.

Investment Maturities (in Years)

Primary Government Investment Type	Fair Value	Less Than 1	1 - 5
Money market funds	\$ 3,299,287	\$ 3,299,287	\$ -
Fixed income mutual funds*	\$ 16,936,191	\$ -	\$ 16,936,191
Certificates of deposit	\$ 18,000,000	\$ 18,000,000	\$ -
 <u>Component Unit Investment Type</u>			
Money market funds	\$ 4	\$ 4	\$ -
Fixed income mutual funds*	\$ 9,011,304	\$ -	\$ 9,011,304

* Determined based on the average weighted duration of the mutual fund

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 3 – RECEIVABLES

Receivables as of year-end for the government's individual major, non-major and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, if any, are as follows:

	General Fund	Road	Public Safety	Drain at Large	Library Debt Retirement	Special Assessment Capital	Nonmajor & Other	Water & Sewer	Total
Delinquent taxes	\$ 1,435,470	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,435,470
Accounts receivable	1,183,486	255,368	65,990	-	-	-	-	4,192,161	5,697,005
Component unit	244,506	-	-	-	-	-	-	-	244,506
Special assessment	-	-	-	1,979,324	15,080,000	3,575,136	-	-	20,634,460
Interest & other receivables	109,522	-	-	-	-	-	386,796	-	496,318
Net receivables	<u>\$ 2,972,984</u>	<u>\$ 255,368</u>	<u>\$ 65,990</u>	<u>\$ 1,979,324</u>	<u>\$ 15,080,000</u>	<u>\$ 3,575,136</u>	<u>\$ 386,796</u>	<u>\$ 4,192,161</u>	<u>\$ 28,507,759</u>

Government funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with the resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue are as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Special assessments	<u>\$ 15,080,000</u>	<u>\$ -</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 4 – CAPITAL ASSETS

Capital asset activity of the primary government for the current year was as follows:

	Balance April 1, 2014	Additions	Disposals	Balance March 31, 2015
Governmental Activities				
Capital assets not being depreciated -				
Land	\$ 828,648	\$ -	\$ -	\$ 828,648
Capital assets being depreciated:				
Buildings	45,271,700	-	-	45,271,700
Improvements other than buildings	23,340,272	441,411	-	23,781,683
Machinery and equipment	21,230,340	1,314,243	(615,308)	21,929,275
Infrastructure	13,082,267	-	-	13,082,267
Subtotal	<u>102,924,579</u>	<u>1,755,654</u>	<u>(615,308)</u>	<u>104,064,925</u>
Less accumulated depreciation:				
Buildings	12,268,114	1,109,609	-	13,377,723
Improvements other than buildings	12,527,667	1,466,639	-	13,994,306
Machinery and equipment	16,732,324	1,069,399	(615,308)	17,186,415
Infrastructure	7,093,682	261,799	-	7,355,481
Subtotal	<u>48,621,787</u>	<u>3,907,446</u>	<u>(615,308)</u>	<u>51,913,925</u>
Net capital assets being depreciated	<u>54,302,792</u>	<u>(2,151,792)</u>	<u>-</u>	<u>52,151,000</u>
Net capital assets	<u>\$ 55,131,440</u>	<u>\$ (2,151,792)</u>	<u>\$ -</u>	<u>\$ 52,979,648</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 4 – CAPITAL ASSETS (Continued)

Capital asset activity of the enterprise activities for the current year was as follows:

	Balance April 1, 2014	Additions	Disposals	Balance March 31, 2015
Business-Type Activities				
Capital assets not being depreciated - Improvements to systems	\$ 2,973,200	\$ 25,334	\$ -	\$ 2,998,534
Capital assets being depreciated:				
Improvements to systems	55,849,418	5,825,077	-	61,674,495
Machinery and equipment	1,930,143	188,205	(98,176)	2,020,172
Township share of county sewers	28,180,037	-	-	28,180,037
Subtotal	<u>85,959,598</u>	<u>6,013,282</u>	<u>(98,176)</u>	<u>91,874,704</u>
Less accumulated depreciation:				
Improvements to systems	22,528,539	1,183,716	(98,176)	23,614,079
Machinery and equipment	1,309,113	133,244	-	1,442,357
Township share of county sewers	14,405,920	517,171	-	14,923,091
Subtotal	<u>38,243,572</u>	<u>1,834,131</u>	<u>(98,176)</u>	<u>39,979,527</u>
Net capital assets being depreciated	<u>47,716,026</u>	<u>4,179,151</u>	<u>-</u>	<u>51,895,177</u>
Net capital assets	<u>\$ 50,689,226</u>	<u>\$ 4,204,485</u>	<u>\$ -</u>	<u>\$ 54,893,711</u>

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

General government	\$ 488,688
Public safety	772,365
Public works	2,407,110
Community enrichment and development	<u>239,283</u>
Total governmental activities	<u>\$ 3,907,446</u>
Business-type activities	
Water & sewer	<u>\$ 1,834,131</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 4 – CAPITAL ASSETS (Continued)

Capital asset activity of the Component Unit was as follows:

	Balance April 1, 2014	Additions	Disposals	Balance March 31, 2015
Capital assets not being depreciated:				
Land	\$ 131,015	\$ -	\$ -	\$ 131,015
Capital assets being depreciated:				
Buildings	26,693,479	-	-	26,693,479
Furniture and equipment	4,547,323	114,544	(12,322)	4,649,545
Library books and audiovisual materials	4,752,023	555,206	(511,249)	4,795,980
Subtotal	<u>35,992,825</u>	<u>669,750</u>	<u>(523,571)</u>	<u>36,139,004</u>
Less accumulated depreciation:				
Buildings	4,369,222	447,853	-	4,817,075
Furniture and equipment	3,070,939	440,224	(10,436)	3,500,727
Library books and audiovisual materials	2,753,352	586,807	(511,249)	2,828,910
Subtotal	<u>10,193,513</u>	<u>1,474,884</u>	<u>(521,685)</u>	<u>11,146,712</u>
Net capital assets being depreciated	<u>25,799,312</u>	<u>(805,134)</u>	<u>(1,886)</u>	<u>24,992,292</u>
Net capital assets	<u>\$ 25,930,327</u>	<u>\$ (805,134)</u>	<u>\$ (1,886)</u>	<u>\$ 25,123,307</u>

Capital assets including library books are recorded at cost. Depreciation expense was \$1,474,884 for the year ended March 31, 2015.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The Township reports interfund balances between many of its funds. The sum of all balances presented in the tables below agrees with the sum of interfund balances presented in the statements of net position/balance sheet for governmental funds and proprietary funds. These interfund balances resulted primarily from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

	<u>Transfers In</u>	<u>Transfer Out</u>
Interfund Transfers		
Library (component unit)	\$ -	\$ 241,177
General Fund	-	7,381,418
Road Fund	1,350,000	315,596
Public Safety Fund	4,350,000	4,742,209
Pension Obligation Bond Debt Fund	6,890,743	-
Retiree Health Care Fund	500,000	-
Non-major Governmental Funds	228,429	250,134
Water & Sewer Fund	-	388,638
	<u>\$ 13,319,172</u>	<u>\$ 13,319,172</u>

Transfers are used to: (1) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them; (2) move receipts restricted to or allowed for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due; and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 6 – LONG TERM DEBT

The government 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 government. 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 government is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a reassessment of the district) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Bond and contractual obligation activity can be summarized as follows:

	Interest Rate	Principal Matures	Beginning Balance	Additions	Reductions	Refinanced	Ending Balance	Due Within One Year
Governmental Activities								
County drain contracts	2-7%	2016-2031	\$ 5,020,517	\$ -	\$ (932,506)	\$ -	\$ 4,088,011	\$ 682,234
Library construction bond	2-5%	2025	16,385,000	-	(1,305,000)	-	15,080,000	1,345,000
General construction bond	5.50%	2032	23,500,000	-	(500,000)	-	23,000,000	600,000
Pension obligation bond	5-5.37%	2032	80,780,000	-	(4,800,000)	-	75,980,000	3,270,000
Capital lease obligations	2.59%	2020	-	687,167	-	-	687,167	107,332
Special assessment bond	2-4.75%	2029	650,000	3,530,000	(170,000)	-	4,010,000	-
Less amortization of bond discount			(326,343)	918	16,203		(309,222)	-
Total bonds payable			126,009,174	4,218,085	(7,691,303)	-	122,535,956	6,004,566
Employee compensated absences and sick pay	-	NA	1,559,137	2,169,021	(5,172)	-	3,722,986	-
Total governmental activities			<u>\$ 127,568,311</u>	<u>\$ 6,387,106</u>	<u>\$ (7,696,475)</u>	<u>\$ -</u>	<u>\$ 126,258,942</u>	<u>\$ 6,004,566</u>
Business-Type Activities								
County water & sewer contracts	2-7%	2017-2032	\$ 18,082,676	\$ 3,275,000	\$ (868,667)	\$ (3,275,000)	\$ 17,214,009	\$ 1,083,982
Less amortization of bond discount			(64,088)	-	4,595	-	(59,493)	-
Plus amortization of bond premium			20,164	175,971	(4,910)		191,225	-
Total bonds payable			18,038,752	3,450,971	(868,982)	(3,275,000)	17,345,741	1,083,982
Employees compensated absences	-	NA	131,499	8,960	-	-	140,459	-
Total business-type activities			<u>\$ 18,170,251</u>	<u>\$ 3,459,931</u>	<u>\$ (868,982)</u>	<u>\$ (3,275,000)</u>	<u>\$ 17,486,200</u>	<u>\$ 1,083,982</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 6 – LONG TERM DEBT (Continued)

Annual debt service requirements to maturity for the installment debt are as follows:

Year Ending March 31,	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2016	\$ 6,004,566	\$ 4,519,398	\$ 1,083,982	\$ 506,789
2017	6,460,574	4,461,355	930,027	539,217
2018	6,274,851	4,333,651	845,000	513,013
2019	6,079,483	4,198,408	850,000	486,663
2020	6,299,095	4,033,277	960,000	386,388
2021-2025	34,136,814	17,006,406	5,715,000	1,536,575
2026-2030	33,479,508	10,329,265	5,105,000	610,019
2031-2035	24,110,287	1,900,375	1,725,000	78,188
	122,845,178	<u>\$ 50,782,135</u>	17,214,009	<u>\$ 4,656,852</u>
Less: Unamortized discount	(309,222)		(59,493)	
Plus: Unamortized premium	-		191,225	
	<u>\$ 122,535,956</u>		<u>\$ 17,345,741</u>	

NOTE 7 – AGREEMENTS

Franchise Agreements

The Township has entered into an agreement with Comcast under which it granted that company a nonexclusive franchise to provide cable television services in the Township. This agreement, expired on October 14, 2014 and was subsequently renewed with an expiration date of August 20, 2019, provided that the cable provider pay an annual franchise fee of 5% of gross annual revenues to the Township.

The Township has also entered into an agreement with AT&T Michigan which it granted that company a non-exclusive franchise to construct, operate and maintain a cable television system within the Township. This agreement, which expires April 25, 2022, provides for a franchise fee of 5% of gross annual revenues.

Total franchise fees recognized under these agreements during the current year were \$1,003,734.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 7 – AGREEMENTS (Continued)

Lessor Agreements

The General Fund rents the use of the Courthouse under a lease expiring October 31, 2016 to the State of Michigan 48th Judicial District Court. Rent income for the year was \$538,039.

The General Fund leases land for mobile telecommunications broadcast towers under four separate agreements. Two of these agreements expire July 31, 2017, and the remaining two agreements expire November 30, 2017. The leases require rental payments in total of \$103,540. These agreements all have predetermined extension terms which call for 5% annual increases.

Interfund Lease Agreements

The Cable Studio Special Revenue Fund uses a Township owned building and automobile and the Building Department Fund uses Township owned office space. The Water and Sewer Fund uses office and other space owned by the Township. The General Fund is reimbursed for the use. The agreements are cancelable at any time. Rental income related to the agreements was \$515,000 for the year ended March 31, 2015.

NOTE 8 – CAPITAL LEASE

The Township entered into a capital lease agreement for equipment during the year ended March 31, 2015. The amortization expense for the year ended March 31, 2015 was \$8,590. The future debt and interest expense obligations have been included in Note 6.

NOTE 9 – RETIREMENT PLAN - PENSION TRUST

Plan Description

The Township contributes to the Township of Bloomfield Retirement Income Plan (the "Plan"), which is a single-employer defined benefit plan. It is the responsibility of the Township pension employees' retirement system (PERS) to function as the investment and administrative agent for the Township with respect to the pension plan. A stand-alone financial report of the plan has not been issued. Information shown for the plan is as of January 1, 2015, the date of the plan's latest actuarial valuation.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 9 – RETIREMENT PLAN - PENSION TRUST (Continued)

Based on state statutes, all full-time employees must be allowed to participate in city or municipal pension plans. However, as a defined contribution plan was created and effective April 1, 2005, new hires are no longer allowed to participate in the defined benefit plan. Under the provision of the Township's pension plan, pension benefits vest after eight years of full-time employment, except for the Township's police officers who vest after ten years of service. The plan pays upon retirement a benefit (depending on department) of 2.1 to 3.0% of final yearly earnings multiplied by years of credited service. Maximum benefits vary by department and tenure and range from 80 to 90% of final earnings. Retirement ages also vary by department and range from age 50 to age 62. Employees are also eligible for early retirement at reduced benefits. Retirement plan benefits for some departments are negotiated as part of collective bargaining agreements and may vary pursuant to these agreements.

Membership in the Plan consisted of the following at January 1, 2015, the latest actuarial valuation:

Active plan members	188
Retirees and beneficiaries receiving benefits	262
Terminated and inactive plan members entitled to but not yet receiving benefits	<u>12</u>
Total plan members	<u><u>462</u></u>

Basis of Accounting

The Plan's financial statements are prepared using information as of December 31, 2014, which approximates the date of the plan's latest actuarial report. The Plan's financial statements include contributions received and benefits paid through that date.

Method Used to Value Investments

The Plan's investments are in the general accounts or mutual funds of a life insurance company and are reported at stated contract value or market value. Administrative fees are paid from investment earnings. The Township's other pension investments are stated at fair value.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 9 – RETIREMENT PLAN - PENSION TRUST (Continued)

Funding Policy

The obligation to contribute to and maintain the Plan for the Township's employees was established by Board resolution.

Under provisions of the Plan, Library and Bloomfield Village Police Department employees contribute 5% of their gross earnings to the Plan. All other employees contribute between 1% and 3.5% of their gross earnings to the Plan. In addition, the Township must provide annual contributions sufficient to satisfy the actuarially determined contribution requirements as mandated by the Plan.

Annual Pension Cost

For the Plan year 2015, the Township's annual pension cost net of employee contributions of \$-0- is equal to the Township's required contributions. The required contribution was determined as part of a January 1, 2015, actuarial valuation using the individual entry age normal actuarial cost method. The actuarial assumptions included (a) 6.25% investment rate of return, (b) projected salary increase of 3% per year, (c) cost of living adjustment of 1.00% and (d) estimated expenses of \$45,000 per year. Assets are invested in the general accounts or mutual funds of an insurance company and are valued at the stated contract value (the sum of contributions plus interest less withdrawals).

Three-Year Trend Information

<u>Year Ended December 31</u>	<u>Annual Pension Cost</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
2013	\$ 10,206,901	100%	\$ -
2014	\$ 3,040,464	100%	\$ -
2015	\$ -	- %	\$ -

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 9 – RETIREMENT PLAN - PENSION TRUST (Continued)

Contributions Required and Contributions Made

Total contributions to the Plan for the plan year beginning January 1, 2014, amounted to \$341,781 of which \$-0- and \$341,781 were made by the Township and its employees, respectively. Contributions made by the Township and its employees represent -0-% and 100% respectively, on covered payroll of \$13,711,213 for the 2014 calendar year.

The Township's employer contributions for its fiscal year ending March 31, 2015 were \$-0- due to the plan being fully funded. The pension contributions represent funding for normal cost and an additional contribution.

Significant actuarial assumptions used to compute pension contribution requirements are the same as those used to determine the standardized measure of the pension obligation.

Funded Status and Funding Progress

As of March 31, 2015 the most recent actuarial roll-forward date, the plan was 109.8% funded. The actuarial accrued liability for benefits was \$203,271,702, and the actuarial value of assets was \$223,169,053 resulting in an overfunded actuarial accrued liability (UAAL) of \$(19,897,351). The covered payroll (annual payroll of active employees covered by the plan) was \$13,711,213, and the ratio of UAAL to the covered payroll was 145.1%.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of March 31, 2015. The valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Salary Increases	4% including wage inflation of 1%
Investment rate of return	6.25%

Effective January 1, 2015 the mortality assumption was changed from RP-2000 Generational Mortality Table projected with Scale BB to the RP-2014 Blue Collar Mortality Table with Scale MP-2014 for general employees. The change was made to better anticipate future mortality experience based on the most recent actuarial tables available.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 9 – RETIREMENT PLAN - PENSION TRUST (Continued)

Asset Allocation Policy

The board has approved the following targeted asset allocations for its pension assets:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
Large Cap Equity	18.00%	8.50%
Small Cap Equity	6.00%	9.25%
Mid Cap Equity	8.00%	9.00%
International Equity	5.00%	8.25%
Stable Value	60.00%	4.50%
Real Estate	3.00%	7.25%
Total	<u>100.00%</u>	

Rate of Return

For the year ended March 31, 2015, the annual money-weighted rate of return on plan investments, net of pension plan investment expense was 5.7%. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

The following presents the net pension liability of the Township, calculated using the discount rate of 6.25%, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

Discount rate	5.25%	6.25%	7.25%
Total pension liability	\$ 210,726,160	\$ 203,271,702	\$ 156,018,148
Plan fiduciary net position	<u>223,169,053</u>	<u>223,169,053</u>	<u>223,169,053</u>
Net pension liability (asset)	<u>\$ (12,442,893)</u>	<u>\$ (19,897,351)</u>	<u>\$ (67,150,905)</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 10 – RETIREMENT PLAN - DEFINED CONTRIBUTION PLAN

Plan Description — Defined Contribution Plan

The Charter Township of Bloomfield 401(a) Plan is a defined contribution pension plan established by the Township to provide benefits at retirement for eligible employees. The plan was effective April 1, 2005 for new Township hires and effective on or after April 2, 2011 for Bloomfield Township Library eligible employees. At March 31, 2015 there were 77 plan members. A stand-alone financial report of the plan has not been issued.

Contributions Required and Contributions Made — Defined Contribution Plan

The Township may make discretionary contributions of not more than 10% of the total compensation for all active participants for all plan members except Bargained Employees. The Township contributions for Bargained Employees will be made in accordance with the Collective Bargaining Agreement. Contributions are made bi-weekly. For the year ended March 31, 2015, contributions in the amount of \$511,389 were made to the plan by the Township. In addition, discretionary contributions in the amount of \$61,358 were made to the plan by Township employees.

NOTE 11 – DEFERRED COMPENSATION

The Township offers its employees a deferred compensation plan created in accordance with the Internal Revenue Code, Section 457. The Plan, available to all Township employees, permits them to defer a portion of their current salary until the employee's termination, retirement, death, or unforeseeable emergency.

As required by GASB 32, the Plan's assets are held in a separate trust and thus are not included in the financial statements of the Township.

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The Township provides contributory and noncontributory medical, dental, vision and basic life insurance coverage for eligible retirees and their spouses. These benefits are paid to four groups of employees who are eligible for different retiree benefits based on their date of hire. Additionally, benefits for bargaining employees are specified by union contract while the Board of Directors establishes those for non-bargaining employees. Bargaining and non-bargaining employees who retire at or after age 50 with at least 15 years of service are eligible for medical, dental and vision coverage. Bargaining and non-bargaining employees who retire at the appropriate attained age with at least 15 years of service are eligible for life insurance coverage in the amount of \$6,000 - \$8,000 depending on their bargaining or non-bargaining status.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Funding Policy and Annual OPEB Cost

For the Plan, contribution requirements of the plan members and the Township are established and may be amended by union contract for bargaining employees and for non-bargaining employees by the Board of Trustees. The Township's annual other postemployment benefit (OPEB) cost (expense) for the plan is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45 "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The Township's annual OPEB cost for the current year and the related information for the plan are as follows:

	PENSION TRUST	
	<u>Primary Government</u>	<u>Component Unit</u>
Contribution rates:		
Township - actuarially determined	0.0%	0.0%
Plan members	N/A	N/A
Annual required contribution	\$ 12,241,524	\$ 538,120
Interest on net OPEB obligation	1,194,237	57,089
Adjustment to annual required contribution	<u>(1,634,153)</u>	<u>(78,119)</u>
Annual OPEB cost	11,801,608	517,090
Expected OPEB payouts	-	-
Contributions made	<u>(3,815,071)</u>	<u>(152,436)</u>
Increase in net OPEB obligation	7,986,537	364,654
Net OPEB obligation, Beginning of year	<u>29,855,910</u>	<u>1,427,233</u>
Net OPEB obligation, End of year	<u>\$ 37,842,447</u>	<u>\$ 1,791,887</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Funding Policy and Annual OPEB Cost (Continued)

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended March 31, 2015, for the plan is as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of OPEB Cost to Obligation</u>	<u>Net OPEB Obligation</u>
March 31, 2015	<u>\$ 12,318,698</u>	31.1%	<u>\$ 39,634,334</u>
Primary government	<u>\$ 11,801,608</u>	31.2%	<u>\$ 37,842,447</u>
Component unit	<u>\$ 517,090</u>	28.9%	<u>\$ 1,791,887</u>

	<u>Year ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net Ending Obligation</u>
Primary government	3/31/2013	\$ 7,803,892	\$ 2,826,942	36.2%	\$ 22,031,398
Primary government	3/31/2014	\$ 11,529,765	\$ 3,705,253	32.1%	\$ 29,855,910
Primary government	3/31/2015	\$ 11,801,608	\$ 3,815,071	32.3%	\$ 37,842,447

	<u>Year ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net Ending Obligation</u>
Component unit	3/31/2013	\$ 353,412	\$ 149,405	42.3%	\$ 1,065,980
Component unit	3/31/2014	\$ 503,682	\$ 142,429	28.3%	\$ 1,427,233
Component unit	3/31/2015	\$ 517,090	\$ 152,436	29.5%	\$ 1,791,887

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Funded Status and Funding Progress

In addition to the premiums paid of \$3,815,071, the Township also made a \$500,000 contribution directly to the Retiree Health Care fund after the actuarial valuation date. The funded status of the plan as of July 1, 2013 was as follows:

Actuarial accrued liabilities (a)	\$ 150,096,684
Actuarial value of plan assets (b)	<u>1,608,647</u>
Unfunded actuarial accrued liability (funding excess) (a) - (b)	<u>\$ (148,488,037)</u>
Township	<u>\$ 143,463,873</u>
Component Unit	<u>\$ 5,024,164</u>
Funded ratio (b) / (a)	1.07%
Covered payroll (c)	\$ 15,953,000
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ((a) - (b)) / (c)	930.8%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. 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 to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial liability for benefits.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 12 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Actuarial Methods and Assumptions.

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Township and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Actuarial valuation date	7/1/2013
Actuarial cost method	Projected Unit Credit Cost Method
Amortization method	Level Percent of Payroll
Remaining amortization period	19 years
Asset valuation method	N/A
Actuarial assumptions:	
Investment rate of return	4%
Projected salary increases	4%
Healthcare inflation rate	6.9% in 2013 Grading to 4.7% in 2082

NOTE 13 – CONTINGENCIES

The Township is a defendant in a number of lawsuits arising principally in the ordinary course of operations. In the opinion of the management, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

NOTE 14 – OTHER INFORMATION

Risk Management

The Township is exposed to risks of loss related to theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Township manages its risk exposures and provides certain employee benefits through a combination of risk management pools, commercial insurance policies and excess coverage policies. Following is a summary of the Township's risk management.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 14 – OTHER INFORMATION (Continued)

Risk Management (Continued)

The Township participates with the Michigan Municipal Risk Management Authority (MMRMA), a self-insured association with a membership of approximately 300 Michigan local governmental units, for general and automobile liability, motor vehicle physical damage, and judicial tenure defense and property damage coverage's. Members include cities, counties, townships and special purpose governments. The MMRMA is organized under the laws of the State of Michigan and is governed by a Board of Directors elected by the membership. The MMRMA provides risk management, claims administration, legal defense and reinsurance services to its members.

The Township makes annual contributions to MMRMA based upon underwriting criteria and guidelines approved by the Board of Directors of MMRMA. Underwriting guidelines may be based upon net operating expenditures, number of employees, size of payroll, size and complexity of operations, loss experience, loss control efforts and any other relevant risk related criteria. These contributions are paid from the Township's General Fund and costs are allocated to the Township's other Funds.

Contributions received by MMRMA to pay administrative expenses, excess insurance, stop loss insurance, reinsurance and all other necessary MMRMA obligations are paid into the MMRMA General Fund. The Board of Directors of MMRMA has also established a minimum amount of funds each member must maintain on deposit with MMRMA.

The Member's Funds on Deposit are used to pay losses and allocated loss adjustment costs that fall within the Township's self-insured retention limits along with certain other member specific costs.

Accordingly, the Township records in the General Fund an asset for funds on deposit in the member retention fund of the MMRMA and a liability for incurred claims and allocated claims adjustment not paid as estimated by MMRMA. At March 31, 2015, the balance of the Township's funds prepaid in the Member Retention Fund of the MMRMA was \$93,680 and the claims incurred and allocated claims adjustment accrued was \$98,209.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 14 – OTHER INFORMATION (Continued)

Risk Management (Continued)

The Township's self-insured retention limits must be fully satisfied before the MMRMA will assume any responsibility for payment of losses. The Township participates in MMRMA's Stop Loss Program. The stop loss program limits the self-insured retention limit payments made on behalf of the Township in the MMRMA's fiscal year. The Township's aggregate cash payments for its self-insured retention limited obligations must exceed \$260,000 before the stop loss program will become responsible for making further self-insured retention limit payments on behalf of the Township.

The Township's self-insured retention limits are as follows:

<u>Coverage</u>	<u>Self-Insured Retention</u>
Liability Non deductible	\$150,000 per occurrence
Vehicle physical damage \$1,000 deductible per occurrence	\$15,000 per vehicle \$30,000 per occurrence
Property and crime \$1,000 member deductible	N/A
Sewage system overflow No deductible	\$150,000 per occurrence
Employee benefits-commercial insurance provider	
Workers' compensation-commercial insurance provider	

At March 31, 2015, there were no claims which exceeded insurance coverage for any of the past five fiscal years. The Township had no significant reduction in insurance coverage from previous years.

The Township has an experience-rated group health insurance reserve for the employee health care benefit plan.

The insurance carrier maintains a separate Premium Stabilization Reserve (PSR) in addition to the carrier's insurance reserves funded and maintained pursuant to applicable insurance laws and sound underwriting practice.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 14 – OTHER INFORMATION (Continued)

Risk Management (Continued)

The PSR is funded with experience-rated margins from the insurance carrier. Interest earned on the PSR is used to offset the carrier's cost of maintaining the plan.

The PSR may be reduced in any policy year for the excess claims paid, reserve adjustments and expenses including (risk charges over) premiums paid, and any premium increases that would otherwise be funded by the Township.

The carrier determines the PSR balance yearly. This balance decreases or increases in value depending on claims paid in comparison to premiums. Any decrease or increase is booked directly to the reserve and has no impact on the Township's financial statements.

Library

The library is exposed to risks of loss related to theft of damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library's general liability and property damage insurance is included in the Township's plan. Employee benefits and workers' compensation is obtained through commercial insurance providers through the Township.

At March 31, 2015, there were no claims which exceeded insurance coverage for any of the past four fiscal years. The Library had no significant reduction in insurance coverage from previous years.

Property Taxes

Delinquent Property Taxes Receivable

- a. Property taxes are assessed as of December 31 and the resulting property taxes become a lien on December 1 of the following year for the township taxes.
- b. The tax levy dates and the budget years are as follows:

<u>Budget Year</u>	<u>Tax Levy Date</u>
County – October 1, 2013 through September 30, 2014	6-1-2014
Township – April 1, 2014 through March 31, 2015	12-1-2014

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO FINANCIAL STATEMENTS
March 31, 2015

NOTE 14 – OTHER INFORMATION (Continued)

Property Taxes

Delinquent Property Taxes Receivable

The 2014 tax levy is summarized as follows:

	<u>Taxable Value</u>	<u>Millage Rate</u>	<u>Revenue</u>
Township			
General	\$ 3,245,848,860	2.2928	\$ 7,442,082
Senior services	\$ 3,245,848,860	0.2439	791,663
Public safety - voted	\$ 3,245,848,860	6.2250	20,205,409
Roads - voted	\$ 3,245,848,860	0.7163	2,325,002
Library-operating-voted perpetual	\$ 3,245,848,860	1.9987	6,487,478
Library debt service	\$ 3,245,848,860	0.5100	1,655,383
Drain debt service	\$ 3,245,848,860	0.3900	1,265,881
Capital improvements	\$ 3,245,848,860	0.4800	1,558,007
Safety path - voted	\$ 3,245,848,860	0.4839	1,570,666
Total Township		<u>13.3406</u>	<u>\$ 43,301,571</u>
County			
Transportation - voted	\$ 3,245,848,860	<u>1.0000</u>	<u>\$ 3,245,849</u>
Special assessments			
Bloomfield Village Association			
Fire	\$ 322,965,730	0.3410	\$ 110,131
Police	\$ 322,965,730	<u>1.2910</u>	<u>416,949</u>
		<u>1.6320</u>	<u>\$ 527,080</u>

NOTE 15 – INTERNAL SERVICE FUND

In the current year, the Township transferred \$2,169,021 from the Agency Fund to a newly established Internal Service Fund, to account for the Townships estimated liability for documented sick pay for its employees.

REQUIRED SUPPLEMENTAL INFORMATION

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
Year Ended March 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUE				
Taxes and assessments	\$ 7,451,000	\$ 7,451,000	\$ 7,470,245	\$ 19,245
State shared revenues	3,100,000	3,100,000	3,195,366	95,366
Charges for services	541,000	541,000	585,186	44,186
Licenses, permits and fees	941,000	941,000	992,224	51,224
Investment earnings	200,000	200,000	254,112	54,112
Fines and forfeitures	1,609,000	1,609,000	1,757,956	148,956
Rent	1,130,128	1,130,128	1,156,579	26,451
Reimbursements	150,000	150,000	143,326	(6,674)
Miscellaneous	166,895	166,895	365,154	198,259
Total revenue	<u>15,289,023</u>	<u>15,289,023</u>	<u>15,920,148</u>	<u>631,125</u>
EXPENDITURES				
Current				
Legislative	26,000	26,000	20,533	5,467
Judicial	1,900,000	1,900,000	1,864,078	35,922
General government	5,932,040	5,932,040	5,742,904	189,136
Public safety	241,180	241,180	210,542	30,638
Community enrichment and development	272,940	272,940	295,830	(22,890)
Other	137,000	137,000	157,682	(20,682)
Capital outlay	60,000	60,000	48,977	11,023
Total expenditures	<u>8,569,160</u>	<u>8,569,160</u>	<u>8,340,546</u>	<u>228,614</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>6,719,863</u>	<u>6,719,863</u>	<u>7,579,602</u>	<u>859,739</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	550,000	550,000	-	(550,000)
Transfer out	(7,234,705)	(7,234,705)	(7,381,418)	(146,713)
Total other financing sources (uses)	<u>(6,684,705)</u>	<u>(6,684,705)</u>	<u>(7,381,418)</u>	<u>(696,713)</u>
NET CHANGE IN FUND BALANCE	<u>35,158</u>	<u>35,158</u>	<u>198,184</u>	<u>163,026</u>
FUND BALANCE, Beginning of year	<u>11,640,178</u>	<u>11,640,178</u>	<u>11,640,178</u>	<u>-</u>
FUND BALANCE, End of year	<u>\$ 11,675,336</u>	<u>\$ 11,675,336</u>	<u>\$ 11,838,362</u>	<u>\$ 163,026</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
BUDGETARY COMPARISON SCHEDULE - ROAD FUND
Year Ended March 31, 2015

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUE				
Taxes	\$ 2,315,000	\$ 2,315,000	\$ 2,316,062	\$ 1,062
Street lighting income	43,000	43,000	43,718	718
Sale of assets	2,500	2,500	27,798	25,298
Charges for services	2,500	2,500	-	(2,500)
Other revenues	663,500	663,500	749,046	85,546
Total revenue	3,026,500	3,026,500	3,136,624	110,124
EXPENDITURES				
Public works				
Salaries and wages	975,930	975,930	1,029,531	(53,601)
Payroll taxes	74,650	74,650	76,804	(2,154)
Life and health insurance	144,410	144,410	185,894	(41,484)
Retirement plan	19,950	19,950	20,539	(589)
Workers compensation insurance	20,250	20,250	23,504	(3,254)
Sick pay	3,000	3,000	5,824	(2,824)
Other employee fringe benefits	2,000	2,000	3,658	(1,658)
Office supplies	2,000	2,000	1,301	699
Operating supplies	21,000	21,000	13,655	7,345
Professional services	94,500	94,500	90,214	4,286
Contractors	807,000	807,000	703,237	103,763
Communications	10,000	10,000	9,592	408
Transportation	100,000	100,000	89,079	10,921
Insurance and bonds	40,000	40,000	34,859	5,141
Repairs and maintenance supplies	385,000	385,000	398,230	(13,230)
Training expenses	3,000	3,000	1,680	1,320
Miscellaneous	1,269,250	1,269,250	1,186,830	82,420
Capital outlay	165,000	165,000	232,988	(67,988)
Total expenditures	4,136,940	4,136,940	4,107,419	29,521
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(1,110,440)</u>	<u>(1,110,440)</u>	<u>(970,795)</u>	<u>139,645</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	(316,285)	(316,285)	(315,596)	689
Transfer in	1,435,000	1,435,000	1,350,000	(85,000)
Total other financing sources (uses)	1,118,715	1,118,715	1,034,404	(84,311)
NET CHANGE IN FUND BALANCE	8,275	8,275	63,609	55,334
FUND BALANCE, Beginning of year	<u>2,373,537</u>	<u>2,373,537</u>	<u>2,373,537</u>	<u>-</u>
FUND BALANCE, End of year	<u>\$ 2,381,812</u>	<u>\$ 2,381,812</u>	<u>\$ 2,437,146</u>	<u>\$ 55,334</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
BUDGETARY COMPARISON SCHEDULE - PUBLIC SAFETY FUND
Year Ended March 31, 2015

	<u>Budgeted Amounts</u>			Variance with Final Budget
	Original	Final	Actual	
REVENUE				
Taxes	\$ 20,124,000	\$ 20,124,000	\$ 20,128,430	\$ 4,430
Grants	-	-	164,436	164,436
Charges for services	1,253,000	1,253,000	1,430,105	177,105
Liquor license rebates	14,000	14,000	17,070	3,070
Reimbursements	35,000	35,000	44,339	9,339
Miscellaneous	38,000	38,000	62,655	24,655
Total revenue	<u>21,464,000</u>	<u>21,464,000</u>	<u>21,847,035</u>	<u>383,035</u>
EXPENDITURES				
Public works				
Salaries and wages	12,550,890	12,550,890	12,390,756	160,134
Payroll taxes	950,470	950,470	955,859	(5,389)
Life and health insurance	1,962,520	1,962,520	2,253,094	(290,574)
Retirement plan	246,140	246,140	281,977	(35,837)
Workers compensation insurance	291,230	291,230	300,307	(9,077)
Sick pay	193,000	193,000	170,567	22,433
Other employee fringe benefits	2,643,190	2,643,190	2,656,340	(13,150)
Office supplies	27,000	27,000	23,412	3,588
Operating supplies	187,500	187,500	213,363	(25,863)
Professional services	258,500	258,500	245,877	12,623
Communications	49,000	49,000	47,782	1,218
Transportation	265,000	265,000	203,405	61,595
Insurance and bonds	334,000	334,000	343,691	(9,691)
Repairs and maintenance supplies	516,500	516,500	558,849	(42,349)
Training expenses	85,000	85,000	90,390	(5,390)
Public utilities	75,000	75,000	70,299	4,701
Principal and interest	125,000	125,000	-	125,000
Miscellaneous	55,500	55,500	107,354	(51,854)
Capital outlay	1,092,929	1,092,929	1,118,542	(25,613)
Total expenditures	<u>21,908,369</u>	<u>21,908,369</u>	<u>22,031,864</u>	<u>(123,495)</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(444,369)</u>	<u>(444,369)</u>	<u>(184,829)</u>	<u>259,540</u>
OTHER FINANCING SOURCES (USES)				
Other financing sources	750,429	750,429	687,167	(63,262)
Transfer in	4,535,000	4,535,000	4,350,000	(185,000)
Transfer out	<u>(4,738,076)</u>	<u>(4,738,076)</u>	<u>(4,742,209)</u>	<u>(4,133)</u>
Total other financing sources (uses)	<u>547,353</u>	<u>547,353</u>	<u>294,958</u>	<u>(252,395)</u>
NET CHANGE IN FUND BALANCE	<u>102,984</u>	<u>102,984</u>	<u>110,129</u>	<u>7,145</u>
FUND BALANCE, Beginning of year	<u>13,286,314</u>	<u>13,286,314</u>	<u>13,286,314</u>	<u>-</u>
FUND BALANCE, End of year	<u>\$ 13,389,298</u>	<u>\$ 13,389,298</u>	<u>\$ 13,396,443</u>	<u>\$ 7,145</u>

**CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION – BUDGETARY
INFORMATION
MARCH 31, 2015**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end. The Board of Trustees holds budget hearings in November and a final budget must be adopted prior to April 1. The budget document presents information by fund, function, department and line items. The funds for which budgets are prepared are adopted on a fund total basis.

Encumbrance accounting is not employed in governmental funds. If encumbrance accounting were employed, encumbrances (e.g., purchase orders, contracts) outstanding at year end would be reported as assigned fund balances and would not constitute expenditures or liabilities because the goods or services had not been received as of year-end; the commitments would be reappropriated and honored during the subsequent year.

Instead, amounts encumbered for purchase orders, contracts, etc., are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
GASB STATEMENT 45 REQUIRED SUPPLEMENTAL INFORMATION
Year Ended March 31, 2015

Retired Employees Healthcare Plan

Three Year Trend Information

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of covered payroll ((b-a)/c)
7/1/2009	\$ 137,000	\$ 87,953,000	\$ 87,816,000	0%	\$ 15,522,940	565.7%
7/1/2011	\$ 138,000	\$ 86,765,000	\$ 86,627,000	0%	\$ 15,220,940	569.1%
7/1/2013	\$ 1,608,647	\$ 150,096,684	\$ 148,488,037	1.07%	\$ 15,953,000	930.8%

Schedule of Employer Contributions

Year ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
3/31/2013	\$ 8,065,000	\$ 2,976,347	37%
3/31/2014	\$ 12,779,644	\$ 3,847,682	30%
3/31/2015	\$ 12,779,644	\$ 3,967,507	31%

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
GASB STATEMENT 67 REQUIRED SUPPLEMENTAL INFORMATION
Year Ended March 31, 2015

Retirement Plan – Pension Trust

Six Year Trend Information

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of covered payroll ((b-a)/c)
1/1/2010	\$ 115,269,769	\$ 136,577,300	\$ 21,307,531	84.4%	\$ 15,562,765	136.9%
1/1/2011	\$ 119,693,077	\$ 148,403,066	\$ 28,709,989	80.7%	\$ 15,522,940	185.0%
1/1/2012	\$ 123,455,000	\$ 152,669,000	\$ 29,214,000	80.9%	\$ 15,338,979	190.5%
1/1/2013	\$ 127,620,304	\$ 157,732,226	\$ 30,111,922	80.9%	\$ 14,862,788	202.6%
1/1/2014	\$ 218,093,625	\$ 215,164,942	\$ (2,928,683)	101.4%	\$ 14,159,863	(20.7%)
1/1/2015	\$ 223,169,053	\$ 203,271,702	\$ (19,897,351)	109.8%	\$ 13,711,213	(145.1%)

Schedule of Employer Contributions

Year ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
3/31/2010	\$ 5,894,448	\$ 5,894,448	100%
3/31/2011	\$ 5,152,066	\$ 5,152,066	100%
3/31/2012	\$ 5,179,678	\$ 5,179,678	100%
3/31/2013	\$ 10,206,901	\$ 10,206,901	100%
3/31/2014	\$ 3,040,464	\$ 80,300,000	2641%
3/31/2015	\$ -	\$ -	- %

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF CHANGES IN THE TOWNSHIP NET PENSION LIABILITY AND
RELATED RATIOS PENSION TRUST
Year Ended March 31, 2015

TOTAL PENSION LIABILITY	
Service cost	\$ 2,834,684
Interest on the total pension liability	11,852,482
Differences between expected and actual experience including assumption changes	3,730,474
Benefit payments and refunds	<u>(9,533,629)</u>
Net change in total pension liability	8,884,011
Total pension liability, Beginning of year	<u>194,387,691</u>
Total pension liability, End of year	<u><u>\$ 203,271,702</u></u>
PLAN FIDUCIARY NET POSITION	
Employer contributions	\$ -
Employee contributions	339,427
Pension plan net investment income	12,326,476
Benefit payments and refunds	(9,533,629)
Other expenses	<u>(76,282)</u>
Net change in plan fiduciary net position	3,055,992
Plan fiduciary net position, Beginning of year	<u>220,113,061</u>
Plan fiduciary net position, End of year	<u><u>\$ 223,169,053</u></u>
Township's Net Pension Asset	<u><u>\$ (19,897,351)</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Asset	109.79%
Covered Employee Payroll	<u><u>\$ 13,711,213</u></u>
Net Pension Asset as a Percentage of Covered Payroll	145.1%

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
REQUIRED SUPPLEMENTAL INFORMATION
SCHEDULE OF TOWNSHIP CONTRIBUTIONS
RELATED RATIOS PENSION TRUST
March 31, 2015

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Actuarially determined contribution	\$ -	\$ 3,040,464	\$ 10,206,901	\$ 5,179,678	\$ 5,152,066	\$ 5,894,595	\$ 5,228,482	\$ 4,738,081	\$ 4,738,081	\$ 4,538,471
Contributions in relation to the actuarially determined contribution	-	80,300,000	10,206,901	5,179,678	5,152,066	5,894,595	5,228,482	4,738,081	4,738,081	4,538,471
Contribution excess (deficiency)	\$ -	\$ 77,259,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 13,711,213	\$ 14,159,863	\$ 14,862,788	\$ 15,338,979	\$ 15,522,940	\$ 15,562,765	\$ 16,136,224	\$ 15,858,763	\$ 15,641,216	\$ 15,605,926
Contributions as a percentage of covered employee payroll	0.00%	567.10%	68.67%	33.77%	33.19%	37.88%	32.40%	29.88%	30.29%	29.08%

Notes to Schedule of Township Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation Date: March 31, 2015

Actuarially determined contribution rates are calculated as of January 1, each year which is 3 months prior to the beginning of the fiscal year in which contributions are made.

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry-age normal

Amortization method

Changes in assumptions and differences between assumptions and actual experience are recognized over the average remaining years of employment of employees (active and inactive employees, including retirees)
Differences between expected earnings on plan investments and actual investment earnings are recognized over a five year period
Changes in benefit terms are recognized immediately

Asset valuation method Fair value and contract value with a market value adjustment factor for the Guaranteed Deposit Account, which is considered the best representation of fair value.

Wage inflation 1%

Salary increases 3%

Investment rate of return 6.25%

Retirement age Age 55 with 25 years of Service or Age 62

Mortality RP-2014 Blue Collar Mortality Table with Scale MP-2014 and RP-2014 Total Data Set Mortality Table with Scale MP-2014 for Public Safety

OTHER SUPPLEMENTAL INFORMATION

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
March 31, 2015

	Nonmajor Special Revenue Funds									Nonmajor Debt Service Funds			Total
	Senior Services	Bloomfield Village Police	Bloomfield Village Fire	Lake Improvement	Improvement & Revolving	Building Department	Drug Law Enforcement	Safety Path	Cable Studio	Special Assessment Capital Projects	Special Assessment Debt Service	Drain at-Large	
ASSETS													
Cash and cash equivalents	\$ 2,520,940	\$ 482,281	\$ 217,904	\$ 181,181	\$ -	\$ 2,209,580	\$ 238,992	\$ 3,670,928	\$ 110,917	\$ 152,803	\$ 495,882	\$ 427,271	\$ 10,708,679
Marketable securities	-	-	-	-	-	-	-	-	5,482,968	-	-	-	5,482,968
Receivables (net):													
Other	9,004	-	-	-	-	7,157	1,970	-	205,008	-	-	160,000	383,139
Special assessments	-	-	-	-	-	-	-	-	-	-	3,575,136	-	3,575,136
Total assets	\$ 2,529,944	\$ 482,281	\$ 217,904	\$ 181,181	\$ -	\$ 2,216,737	\$ 240,962	\$ 3,670,928	\$ 5,798,893	\$ 152,803	\$ 4,071,018	\$ 587,271	\$ 20,149,922
LIABILITIES - Accounts payable and accrued expenses	\$ 72,901	\$ 8,387	\$ 2,413	\$ 1,492	\$ -	\$ 45,057	\$ 2,159	\$ 14,901	\$ 50,820	\$ 7,402	\$ -	\$ -	\$ 205,532
DEFERRED INFLOWS OF RESOURCES - Special assessments	-	-	-	-	-	-	-	-	-	-	1,733,029	-	1,733,029
FUND BALANCES													
Restricted:													
Debt service	-	-	-	-	-	-	-	-	-	-	2,337,989	587,271	2,925,260
Roads and safety paths	-	-	-	-	-	-	-	3,656,027	-	145,401	-	-	3,801,428
Public safety	-	473,894	215,491	-	-	-	238,803	-	-	-	-	-	928,188
Community enrichment	-	-	-	179,689	-	-	-	-	-	-	-	-	179,689
Assigned:													
Community enrichment	2,457,043	-	-	-	-	-	-	-	5,748,073	-	-	-	8,205,116
Building inspection	-	-	-	-	-	2,171,680	-	-	-	-	-	-	2,171,680
Total fund balances	2,457,043	473,894	215,491	179,689	-	2,171,680	238,803	3,656,027	5,748,073	145,401	2,337,989	587,271	18,211,361
Total liabilities and fund balances	\$ 2,529,944	\$ 482,281	\$ 217,904	\$ 181,181	\$ -	\$ 2,216,737	\$ 240,962	\$ 3,670,928	\$ 5,798,893	\$ 152,803	\$ 4,071,018	\$ 587,271	\$ 20,149,922

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
Year Ended March 31, 2015

	Nonmajor Special Revenue Funds									Nonmajor Debt Service Funds			
	Senior Services	Bloomfield Village Police	Bloomfield Village Fire	Lake Improvement	Improvement & Revolving	Building Department	Drug Law Enforcement	Safety Path	Cable Studio	Special Assessment Capital Projects	Special Assessment Debt Service	Drain at-Large	Total
REVENUES													
Taxes and assessments	\$ 788,558	\$ 415,927	\$ 109,858	\$ 337,768	\$ -	\$ -	\$ -	\$ 1,564,598	\$ -	\$ 1,493,614	\$ 2,060,323	\$ 1,260,974	\$ 8,031,620
Grants	109,263	-	-	-	-	-	-	-	-	-	-	-	109,263
Charges for services	303,213	-	-	-	-	10,411	-	-	55,140	-	-	-	368,764
Licenses, permits and fees	-	-	-	-	-	1,685,505	-	-	996,942	-	-	-	2,682,447
Investment	-	-	-	-	-	-	-	-	-	-	99,341	-	99,341
Fines and forfeitures	-	-	-	648	-	-	47,679	-	-	-	-	-	48,327
Fees	383,976	-	-	-	-	-	-	-	-	-	-	-	383,976
Reimbursements	-	-	-	37,742	-	-	-	-	-	-	-	-	37,742
Miscellaneous	22,922	2,000	814	-	-	-	-	-	2,872	-	-	-	28,608
Total revenues	1,607,932	417,927	110,672	376,158	-	1,695,916	47,679	1,564,598	1,054,954	1,493,614	2,159,664	1,260,974	11,790,088
EXPENDITURES													
Operating:													
General government	-	-	-	-	-	1,145,146	-	-	-	-	-	-	1,145,146
Public works	-	-	-	-	-	-	-	118,792	-	4,929,927	-	-	5,048,719
Public safety	-	385,877	88,747	-	-	-	3,226	-	-	-	-	-	477,850
Community enrichment & development	1,552,459	-	-	324,587	253,043	-	-	-	823,787	-	-	-	2,953,876
Debt service	-	-	-	-	-	-	-	-	-	-	-	3,076	3,076
Capital outlay	20,185	28,140	12,604	-	-	81,430	13,166	441,412	42,277	-	-	-	639,214
Debt service:													
Principal retirement	-	-	-	-	-	-	-	-	-	-	170,000	932,505	1,102,505
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	78,632	167,561	246,193
Total expenditures	1,572,644	414,017	101,351	324,587	253,043	1,226,576	16,392	560,204	866,064	4,929,927	248,632	1,103,142	11,616,579
Revenues over (under) expenditures	35,288	3,910	9,321	51,571	(253,043)	469,340	31,287	1,004,394	188,890	(3,436,313)	1,911,032	157,832	173,509
OTHER FINANCING SOURCES (USES)													
Bond proceeds	-	-	-	-	-	-	-	-	-	3,530,000	-	-	3,530,000
Other financing sources	-	-	-	-	-	-	-	-	-	918	-	-	918
Transfers in	-	-	-	-	228,429	-	-	-	-	-	-	-	228,429
Transfers out	(23,428)	(13,781)	-	-	-	(145,395)	-	(6,202)	(61,328)	-	-	-	(250,134)
Total other financing sources (uses)	(23,428)	(13,781)	-	-	228,429	(145,395)	-	(6,202)	(61,328)	3,530,918	-	-	3,509,213
Net change in fund balances	11,860	(9,871)	9,321	51,571	(24,614)	323,945	31,287	998,192	127,562	94,605	1,911,032	157,832	3,682,722
FUND BALANCES, Beginning of year	2,445,183	483,765	206,170	128,118	24,614	1,847,735	207,516	2,657,835	5,620,511	50,796	426,957	429,439	14,528,639
FUND BALANCES, End of year	\$ 2,457,043	\$ 473,894	\$ 215,491	\$ 179,689	\$ -	\$ 2,171,680	\$ 238,803	\$ 3,656,027	\$ 5,748,073	\$ 145,401	\$ 2,337,989	\$ 587,271	\$ 18,211,361

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
Year Ended March 31, 2015

	<u>Balance at April 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at March 31,</u>
ASSETS - Cash	\$ 3,031,373	\$ 947,606	\$ 3,348,175	\$ 630,804
LIABILITIES				
Employees' compensated absences	\$ 2,168,028	\$ 173,668	\$ 2,341,696	\$ -
Accounts payable and withholdings	71,790	2,682,486	2,716,052	38,224
Deposits & other liabilities:				
Escrow deposits	574,950	249,815	562,317	262,448
Refundable deposits	105,640	315,026	189,409	231,257
Other	110,965	182,738	194,828	98,875
	<u>\$ 3,031,373</u>	<u>\$ 3,603,733</u>	<u>\$ 6,004,302</u>	<u>\$ 630,804</u>
Total liabilities				

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
COMBINING STATEMENT OF NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
March 31, 2015

	Retiree Health Care Fund	Retirement System Pension Trust	401(a) Defined Contribution Plan	Total
	<u>March 31, 2015</u>	<u>December 31, 2014</u>	<u>March 31, 2015</u>	<u></u>
ASSETS				
Cash	\$ 500,000	\$ -	\$ -	\$ 500,000
Investments:				
Mutual funds	2,178,726	75,092,977	3,213,756	80,485,459
Guaranteed deposit account fixed income fund	-	139,459,146	-	139,459,146
Contribution receivable	-	24,692	-	24,692
	<u>2,678,726</u>	<u>214,576,815</u>	<u>3,213,756</u>	<u>220,469,297</u>
Total assets				
	<u>2,678,726</u>	<u>214,576,815</u>	<u>3,213,756</u>	<u>220,469,297</u>
NET POSITION - Held in trust for pension and other employee benefits	<u>\$ 2,678,726</u>	<u>\$ 214,576,815</u>	<u>\$ 3,213,756</u>	<u>\$ 220,469,297</u>

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
COMBINING STATEMENT OF CHANGES IN NET POSITION
PENSION AND OTHER EMPLOYEE BENEFIT TRUST FUNDS
Year Ended March 31, 2015

	<u>Retiree Health Care Fund</u>	<u>Retirement System Pension Trust</u>	<u>401(a) Defined Contribution Plan</u>	<u>Total</u>
	<u>Year Ended March 31, 2015</u>	<u>Year Ended December 31, 2014</u>	<u>Year Ended March 31, 2015</u>	
ADDITIONS				
Contributions:				
Employer	\$ 4,315,071	\$ -	\$ 511,389	\$ 4,826,460
Employee	-	341,781	61,358	403,139
Total contributions	<u>4,315,071</u>	<u>341,781</u>	<u>572,747</u>	<u>5,229,599</u>
Investment income:				
Net change in fair value of investments	(7,192)	1,960,717	22,676	1,976,201
Interest income	66,313	4,959,255	-	5,025,568
Dividend income	-	3,710,905	169,249	3,880,154
Total investment income	<u>59,121</u>	<u>10,630,877</u>	<u>191,925</u>	<u>10,881,923</u>
Total additions	<u>4,374,192</u>	<u>10,972,658</u>	<u>764,672</u>	<u>16,111,522</u>
DEDUCTIONS				
Distributions	3,815,071	9,452,336	91,101	13,358,508
Administrative fees	-	81,937	25	81,962
Total deductions	<u>3,815,071</u>	<u>9,534,273</u>	<u>91,126</u>	<u>13,440,470</u>
NET INCREASE IN PENSION HELD IN TRUST	559,121	1,438,385	673,546	2,671,052
NET POSITION HELD IN TRUST, Beginning of year	<u>2,119,605</u>	<u>213,138,430</u>	<u>2,540,210</u>	<u>217,798,245</u>
NET POSITION HELD IN TRUST, End of year	<u>\$ 2,678,726</u>	<u>\$ 214,576,815</u>	<u>\$ 3,213,756</u>	<u>\$ 220,469,297</u>

**STATISTICAL INFORMATION REQUIRED FOR CONTINUING DISCLOSURE
CERTIFICATE**

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATISTICAL INFORMATION REQUIRED
FOR CONTINUING DISCLOSURE CERTIFICATE
March 31, 2015

Tax Levies and Collections

Year	Tax Levy	Collections to March 1 of the Following Year	
2014	\$ 44,995,239	\$ 43,610,066	96.92%
2013	\$ 42,329,811	\$ 40,828,439	96.45%
2012	\$ 41,264,728	\$ 39,754,293	96.34%
2011	\$ 41,694,060	\$ 40,098,080	96.17%
2010	\$ 44,116,202	\$ 42,167,507	95.58%
2009	\$ 44,505,638	\$ 42,147,621	94.70%
2008	\$ 45,382,069	\$ 42,433,483	93.50%
2007	\$ 44,913,928	\$ 42,327,344	94.24%
2006	\$ 40,831,652	\$ 38,659,606	94.68%
2005	\$ 40,077,547	\$ 38,234,099	95.40%
2004	\$ 37,486,906	\$ 35,656,378	95.12%
2003	\$ 33,797,608	\$ 32,140,571	95.10%
2002	\$ 23,530,927	\$ 22,275,924	94.67%

The Township's taxes are due and payable and a lien created upon the assessed property on December 1 each year. Taxes remaining unpaid on the following March 1 are turned over to the County Treasurer for collection. If all real property taxes are not paid by May 1, two years following return to the County Treasurer, the property is sold for taxes.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATISTICAL INFORMATION REQUIRED
FOR CONTINUING DISCLOSURE CERTIFICATE
March 31, 2015

History of Property Valuations*

<u>Year</u>	<u>State Equalized Valuation</u>	<u>Taxable Value</u>
2014	\$ 3,724,060,750	\$ 3,245,848,860
2013	\$ 3,399,266,390	\$ 3,167,371,380
2012	\$ 3,254,592,251	\$ 3,096,798,011
2011	\$ 3,226,628,090	\$ 3,155,385,640
2010	\$ 3,485,076,600	\$ 3,404,549,680
2009	\$ 4,115,224,310	\$ 3,878,712,490
2008	\$ 4,492,380,886	\$ 3,948,259,831
2007	\$ 4,696,964,620	\$ 3,934,123,580
2006	\$ 4,499,786,770	\$ 3,732,884,300
2005	\$ 4,358,891,740	\$ 3,531,875,030
2004	\$ 4,159,870,180	\$ 3,380,624,306
2003	\$ 4,005,952,600	\$ 3,236,501,438
2002	\$ 3,816,576,370	\$ 3,115,293,208

*Beginning in 1995, the Taxable Value and not the State Equalized Valued is used to calculate the tax levy.

Michigan Property Tax and School Finance Reform

See information provided in Continuing Disclosure Certificates previously filed with National and State of Michigan Municipal Securities Information Repositories regarding this topic.

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATISTICAL INFORMATION REQUIRED
FOR CONTINUING DISCLOSURE CERTIFICATE
March 31, 2015

Tax Rate Limitations

The Township Charter provides tax rate limitations as follows:

Purpose	Rate (per \$1,000 of State) Equalized Valuation	Maximum Permitted Rate
General Operating	\$ 0.9939	\$ 0.9939

The Township may levy taxes in excess of the above limitation pursuant to state law for the following purposes:

Purpose	Authority	Rate (per \$1,000 of State) Equalized Valuation
Refuse Collection and Disposal	Act 298, P.A. of Michigan 1917, as amended	\$ 3.00
Police and Fire Pension Requirements	Act 345, P.A. of Michigan 1937, as amended	Amount required to make contribution

In addition, Article IX, Section 6 of the Michigan Constitution of 1963, as amended, permits the levy of millage in excess of the above for:

1. All debt service on tax supported bonds issued prior to December 23, 1978, or tax supported issues, which have been approved by the voters.
2. Operating purposes for a specific period of time provided that said increase is approved by a majority of the qualified electors of the local unit.

*The Michigan Constitution provides for tax rate limitations. See information provided in Continuing Disclosure Certificates previously filed with National and State of Michigan Municipal Securities Information repositories regarding these limitations.

Labor Agreements

The Township has three employee bargaining units which have negotiated comprehensive salary, wage, fringe benefits and working conditions contracts with the Township.

The duration of these agreements are as follows:

Employee Group	Number of Employees	Expiration Date of Contract
Firefighters	67	March 31, 2017
Police Employees (Command Officers)	16	March 31, 2017
Police Employees (Patrolmen)	70	March 31, 2017

CHARTER TOWNSHIP OF BLOOMFIELD, MICHIGAN
STATISTICAL INFORMATION REQUIRED
FOR CONTINUING DISCLOSURE CERTIFICATE
March 31, 2015

General Fund – Fund Balance

The Township's General Fund Balance for the last ten years has been as follows:

<u>Fiscal Year Ending March 31,</u>	<u>Fund Balance</u>
2015	\$ 11,838,362
2014	\$ 11,640,178
2013	\$ 11,498,695
2012	\$ 10,968,077
2011	\$ 10,506,172
2010	\$ 8,056,659
2009	\$ 8,156,480
2008	\$ 7,822,356
2007	\$ 6,757,558
2006	\$ 4,874,045