

COMPREHENSIVE ANNUAL FINANCIAL REPORT 2016



Pittsfield Charter Township
Michigan

Fiscal Year ended December 31, 2016
www.pittsfield-mi.gov

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Pittsfield
Charter
Township,
Michigan



Year Ended
December 31,
2016

Comprehensive
Annual
Financial
Report

Mandy Grewal, Ph.D., Township Supervisor

Tracy Watkins, Finance Director

Prepared by: Finance Department

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PITTSFIELD CHARTER TOWNSHIP

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INTRODUCTORY SECTION

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Pittsfield Charter Township

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Office of the Supervisor

May 3, 2017

To the Honorable Board of Trustees of Pittsfield Charter Township:

State law requires that all local governments, subject to certain size criteria, publish within six months of the close of each fiscal year a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited in conformity with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to those requirements, we hereby issue the comprehensive annual financial report for Pittsfield Charter Township for the fiscal year ended December 31, 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Rehmann Robson, Certified Public Accountants, has issued an unmodified ("clean") opinion on the Township's financial statements for the year ended December 31, 2016. The independent auditors' report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and it should be read in conjunction with it.

Profile of the Government

Organized in 1834 and chartered in 1972, Pittsfield Charter Township, which is approximately 28 square miles with a population of 38,435, bridges the territory between the City of Ann Arbor and the City of Saline. Pittsfield Charter Township has the second largest tax base in Washtenaw County, second only to the City of Ann Arbor. Pittsfield has an outstanding Department of Public Safety which extends fire and police protection to all township residents with a response rate of 5 minutes or less. Pittsfield also provides rubbish collection and recycling, public water and sanitary sewer services. With over 1,000 acres of public park facilities, Pittsfield offers numerous recreational activities for youth, adults and seniors along with offering an outstanding variety of park and open spaces increasingly accessible by non-motorized amenities.

Pittsfield Charter Township is a vibrant community with a wide spectrum of land uses including commercial corridors, business parks, agricultural lands, park land, open spaces, and many strong residential neighborhoods representing a variety of housing options. The true hallmark of the Township, however, is the diversity and talent of its residents. Pittsfield is bordered by the three communities of Ann Arbor, Saline, and Ypsilanti. Pittsfield is uniquely poised to take advantage of the density supported by its proximity to these communities while simultaneously providing for existing larger-scale agricultural, residential, commercial, and business use developments. Leveraging the existing mix of urban, suburban, and rural influences, along with the various mixture of land uses and its demographic diversity, Pittsfield has taken a leadership role in establishing a new standard for mainstreaming non-motorized transportation, dense mixed-use, green/open space preservation and infill development within a township context.

Pittsfield Township has operated under the charter township form of government since 1972. A charter township status is a special township classification created by the Michigan Legislature in 1947 to provide additional powers and streamlined administration for governing a growing community. Pittsfield Township government is conducted by a township board consisting of seven members - a supervisor, clerk, treasurer, and four trustees - who are elected by Township residents.

Procedures for the Township's financial administration, such as budgets, accounting, investments and deposits, are closely regulated by the State. Township meetings must comply with Michigan's Open Meetings Act (*MCL 15.261-15.275*), and Township records must be stored and made available in conformance with specific laws, such as the Freedom of Information Act (*MCL 15.231-15.246*). The Charter Act (*MCL 42.1 - 42.34*) gives charter townships broad powers to enact and enforce a variety of ordinances. Zoning ordinances enacted under the Michigan Zoning Enabling Act (*MCL 125.3101 - 125.3702*) give townships the authority to regulate land use, while many other specific ordinances control activities that infringe on the rights of citizens. The Michigan Constitution and state statutes also limit the amount of property tax millage that townships can levy for general township operations. Charter townships may levy up to five mills. Townships also utilize other sources of revenue to support services. User fees, permits, fines and special assessments on real property are the most frequently used sources.

All powers of the Township shall be vested in and all matters of policy of the Township shall be exercised and determined by the Township board of trustees. The Township board typically holds two regular meetings per month. The Township board is the Township's legislative and policy making body. The Township board is responsible for adopting the annual budget, contracts, laws, ordinances and resolutions; approving purchases; and granting permits and license terms. Board members are elected at large to a four year term, and general elections are held in November of a Presidential election year. The Township board serves as the direct citizen's link to Township Hall.

The Township board appoints all boards, committees and commissions except for the Parks & Recreation Commission Board, which is independently elected. Statutorily, the Township supervisor, clerk and treasurer appoint their deputies. The government's three full-time elected officials (supervisor, clerk, and treasurer) are responsible for carrying out the policies and ordinances of the Township board, for supervising the day-to-day operations of the government, and for appointing the heads of the government's various operating departments.

The Township is also financially accountable for a legally separate entity, which is reported separately within the Townships' financial statements. Additional information on this legally separate entity can be found in the notes to the basic financial statements.

Pittsfield Township operates on a calendar year fiscal cycle. For its regular budget development schedule, the Charter Township Act provides that the Township must conduct a budget public hearing by December 15 or earlier, and adopt the budget by December 31 of the year preceding the calendar year for which the budget is being prepared. Concurrent with budget adoption, the Township board is required to provide for a tax levy necessary to meet the budget expenditures up to the authorized charter millage of the Township. This annual budget serves as the foundation for the Township's financial planning and control. The budget is prepared by fund, department, and function. The Township supervisor is authorized to approve transfers of budgetary funds within a cost center, excluding wages, salaries, overtime and fringes, in consultation with the effected department director and/or the Finance Director.

Factors Affecting Economic Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment within which the Township operates as described below:

Local economy

Many municipalities in Michigan are struggling to address the fundamental flaws in the existing local government financing system. The combined effects of Proposal A and the Headlee Amendment caps a township's ability to generate revenue at the rate of inflation, while the cost of providing services continues to increase faster than inflation. The state and federal government also limit a township's ability to raise non-tax revenue.

The Township's 2016 ad valorem taxable valuation of \$1,800,894,745 represents a 2.92% increase from 2015. The ratio of total township tax collections to date for tax year 2016 (current and delinquent) to the current tax levy is 99.80%.

The State of Michigan is currently in the midst of a fundamental economic shift from a manufacturing base to a new economy. Many national forces are also having a profound impact on the State: a slowing national economy, the foreclosure crisis and volatile energy costs. While many would view this as a time to forego various projects, Pittsfield Township is moving forward on ensuring the economic health and vitality of the Township's future.

Long-term financial planning

Pittsfield Township continues to refine and update its financial forecast model to address changes and trends identified. By seeing what potential outcomes are available, the Township can position itself to more adequately deal with its future.

Relevant financial policies

The Township has recently reviewed some of its financial policies and procedures and made changes to ensure that adequate controls are in place. The Township is constantly undergoing a review of its current water and sewer rates in order to develop a long-term rate track plan. The plan will help to ensure the financial stability of the water and sewer utilities. The Township is in the process of evaluating outstanding debt generated from utility capital improvement projects and exploring what potential savings can be recognized.

Major initiatives

The Township was awarded a Stormwater, Asset Management, and Wastewater (SAW) Grant in the amount of \$1,263,416 from the Michigan Department of Environmental Quality (MDEQ). The purpose of this grant is to collect the necessary information from our existing infrastructure, sanitary sewers, to perform a condition assessment, create a formal asset management plan and program for continuous monitoring and Capital Improvement Program for maintenance and replacement. The scope of this work will be completed though utilizing a closed caption television camera (CCTV) which will travel through approximately 70 miles of sewer pipe throughout the township. This work does not require any open cut/excavation of sewers. All sewers are accessed through existing manholes. The evaluation of the current system should be completed by the end of 2017 with a complied conditional assessment report and capital plan in place by 2018.

The Township completed the Ann Arbor-Saline/Oak Valley/Lohr/Waters (AOL) Pedestrian Crossing Improvement Project. In line with the Township's vision for non-motorized connectivity, the AOL Pedestrian Crossing Improvement Project will continue to provide safe and identifiable pedestrian and mid-block crossings, with new mid-block crossings at Crane and Oakengates; Platt and the Multicultural Academy; and Platt and Hidden Creek. Other improvements in and around the area of Ann Arbor Saline Road, Oak Valley, and Lohr Road include: (a) two new pedestrian crossings; (b) improvements to eight existing pedestrian crossings and (c) improvements to three bus stops. Depending on the type of crossing, work will consist of new striping, concrete sidewalks, ADA ramps, mast arms, rapid flashing beacons, cross walk signs, traffic controls, and bike lane striping. This projected is funded by the general fund. The cost of this project is \$565,000.

The Township completed the Michigan Avenue Sidewalk Improvement Project. The Michigan Avenue pathway will provide for a 10' pathway on the south side of Michigan Avenue that will connect to the Platt Road Greenway. It will extend from Harwood Farms subdivision on the east to Michigan Avenue on the west thereby providing thousands more residents access to recreational, green, retail and commercial spaces along Platt, Textile and Carpenter roads along with access to Township administration campus. The Michigan Avenue pathway will also provide for a non-motorized connection to the Farmers Market and transit stops located at the Township administration building at the corner of Platt and Michigan. This projected is funded by the general fund. The cost of this project is \$440,500.

The Township completed in 2016 the Moon Road Pump Station Rehabilitation Project. The Moon Road pump station was originally constructed in 1983, with no major improvements being performed on this station. Currently the housing structure of the station is deteriorating with repeated pump and control alarm failures. This pump provides sanitary sewer services for properties at the Michigan Avenue and Moon Road intersection. As part of the rehabilitation, the station will receive new controls, pumps, can/well improvements, and a standby generator. This projected is funded by the utilities fund. The cost of this project is \$848,000.

Awards and Acknowledgements

<http://pittsfield-mi.gov/awards>

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pittsfield Charter Township for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2015. This is the sixth consecutive year that the Township has received this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

For the first time, Pittsfield Charter Township has ranked among the top 50 safest places to live in the State of Michigan, coming in at #40. Pittsfield Charter Township is the only community in Washtenaw County to make this list, released in March 2016.

Pittsfield Charter Township is one of six communities across the state of Michigan recognized by the University of Michigan's (Dearborn) eCities initiative for implementing strategies that foster entrepreneurial growth and economic development. The eCities initiative is part of the University of Michigan Dearborn's Center for Innovation Research. The program uniquely researches factors that contribute to economic success at the local level. Pittsfield Charter Township was selected, as one of a handful in the state, to receive the highest designation of being a 5-star Best Practices community for clearly identifying and implementing a vision to foster economic success, including articulating a placemaking strategy.

The Southeast Michigan Council of Governments (SEMCOG) selected Pittsfield Charter Township to receive the Sustainable Community Leader Award at the gold level in December 2014. Pittsfield is the first Community in Washtenaw County and the 14th in Southeast Michigan to receive this award and distinction. This award recognizes SEMCOG member communities that are incorporating sustainable practices.

For local governments, sustainability is about achieving economic prosperity while protecting the environment and providing a high quality of life for resident. SEMCOG supported initiatives help local governments achieve and maintain sustainability along economic, fiscal, environmental, placemaking, and accessibility parameters.

In addition, Pittsfield Township Parks and Recreation received its third Marketing Award for Best Single Brochure for Fall 2012 and Winter 2013 from the Michigan Recreation and Park Association (MRPA) on March 1st.

The MRPA honors exemplary parks and recreation professionals and citizen advocates through the Association's annual awards. Honorees embody the core values of the profession, demonstrate the highest level of performance in their job duties and maintain a tremendous commitment to MRPA and its membership. Marketing Awards honor outstanding promotional activities of members and agencies, recognizing single and special brochures, web sites, integrated marketing campaigns, videos and media advocates.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the accounting and administration departments. We wish to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit also must be given to the governing township board for their unflinching support for maintaining the highest standards of professionalism in the management of Pittsfield Charter Township's finances.

Respectfully submitted,

Signature not included for security purposes

Mandy Grewal, Ph.D.
Township Supervisor

Tracy Watkins
Finance Director

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Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Pittsfield Charter Township
Michigan**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

PITTSFIELD CHARTER TOWNSHIP
LIST OF ELECTED AND APPOINTED OFFICERS
For the Year Ended December 31, 2016

Elected Officials

Mandy Grewal, Township Supervisor
Michelle Anzaldi, Clerk
Patricia Tupacz Scribner, Treasurer
Linda Edwards-Brown, Trustee
Gerald Krone, Trustee
Yameen Jaffer, Trustee
George Ralph, Trustee

Appointed Officials

Lyn Sebestyen, Deputy Clerk
Orna Angus, Deputy Treasurer

Administration

Matthew Harshberger, Public Safety Director
Craig Lyons, Utilities and Municipal Services Director
Patricia Denig, Human Resources Director
Tracy Watkins, Finance Director
Kurt Weiland, Building Director
Barbara McDermott, Assessor
John Adams, Information Technology Director
Phillip Biscorner, Parks and Recreation Director

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FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

May 3, 2017

To the Board of Trustees
Pittsfield Charter Township
Ann Arbor, Michigan

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 *Pittsfield Charter Township, Michigan* (the "Township"), as of and for the year ended December 31, 2016, 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.

Independent Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor 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 Township'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 Township's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Township, as of December 31, 2016, and the respective changes in financial position and where applicable, cash flows thereof and the respective budgetary comparisons for the general fund and the major special revenue fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the schedules for the pension and other postemployment benefits plans, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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 fund financial statements and schedules, the introductory section, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules 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. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.



MANAGEMENT'S DISCUSSION AND ANALYSIS

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

As management of Pittsfield Charter Township, Michigan (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 December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represents the most significant financial highlights for the year ended December 31, 2016.

- The assets and deferred outflows of resources of the Township exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$70,418,210 (net position). Of this amount, \$7,955,186 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$1,972,474.
- As of the close of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$10,408,625, a decrease of \$869,170 in comparison with the prior year. Approximately 36.9% of this total amount, or \$3,841,454, is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,841,454 or 51% of total general fund expenditures.
- The Township's bonded debt (excluding compensated absences) decreased by a net amount of \$1,655,000.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Township's basic financial statements. The Township's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Township's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Township's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the remaining amount reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Township is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Township that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the Township include general government, public safety, public works, planning and zoning, and culture and recreation.

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

The government-wide financial statements include not only the Township itself (known as the primary government), but also a legally separate entity for which the Township is financially accountable. Financial information for the Economic Development Corporation component unit is reported separately from the financial information presented for the primary government itself.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township can be divided into three categories: governmental, proprietary, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Township maintains 17 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the general fund, public safety special revenue fund, and the Michigan Avenue East debt service fund, all of which are considered to be major funds. Data from the other 14 governmental funds are combined into a single, aggregated presentation. The combining statements referred to earlier in connection with nonmajor and fiduciary funds are presented immediately following the required supplementary information.

The Township adopts an annual appropriated budget for its general fund and special revenue funds. Budgetary comparison statements have been provided for these funds to demonstrate compliance with the budgets.

Proprietary Funds. The Township has one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The Township uses an enterprise fund to account for its combined water and sewer operations, which is considered to be a major fund of the Township.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the Township's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. This is limited to this management's discussion and analysis and schedules concerning the Township's progress in funding its obligation to provide pension and other postemployment benefits to certain employees.

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of Pittsfield Charter Township, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$70,418,210 at the close of the most recent fiscal year as shown in the following table (which shows, in a condensed format, the net position as of fiscal year end 2016 as compared to the prior fiscal year):

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current and other assets	\$13,877,071	\$14,963,338	\$12,482,930	\$13,378,515	\$26,360,001	\$28,341,853
Capital assets, net	32,341,215	30,502,583	34,057,948	34,113,025	66,399,163	64,615,608
Total assets	46,218,286	45,465,921	46,540,878	47,491,540	92,759,164	92,957,461
Deferred outflows of resources						
Deferred pension amount	2,724,266	1,463,701	255,028	127,789	2,979,294	1,591,490
Deferred loss on refunding	13,153	26,303	94,194	-	107,347	26,303
Total deferred outflows of resources	2,737,419	1,490,004	349,222	127,789	3,086,641	1,617,793
Liabilities						
Other liabilities	1,807,201	1,868,630	1,292,559	1,913,442	3,099,760	3,782,072
Long-term liabilities	3,146,136	3,732,966	7,915,706	8,915,645	11,061,842	12,648,611
Other noncurrent liabilities	9,818,764	8,920,066	919,167	778,769	10,737,931	9,698,835
Total liabilities	14,772,101	14,521,662	10,127,432	11,607,856	24,899,533	26,129,518
Deferred inflows of resources						
Deferred pension amounts	482,860	-	45,202	-	528,062	-
Net position						
Net investment in capital assets	31,723,059	29,339,544	26,246,868	25,287,945	57,969,927	54,627,489
Restricted	4,493,097	5,522,883	-	-	4,493,097	5,522,883
Unrestricted (deficit)	(2,515,412)	(2,428,164)	10,470,598	10,723,528	7,955,186	8,295,364
Total net position	\$33,700,744	\$32,434,263	\$36,717,466	\$36,011,473	\$70,418,210	\$68,445,736

The largest portion of the Township's net position (82.3% or \$57,969,927) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment, systems and infrastructure) less any related debt used to acquire those assets that are still outstanding. The Township uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Township's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

An additional portion of the Township's net position (6.4% or \$4,493,097) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (11.3% or \$7,955,186) may be used to meet the government's ongoing obligations. The Township's total net position increased approximately 2.9% from the prior year, remaining relatively consistent with the prior year.

Governmental activities revenues decreased slightly, by approximately 0.7% from the prior year, remaining relatively consistent. Governmental expenses decreased by approximately 8.9% from the prior year, largely due to the decrease in general government expenses.

Business-type activities revenues increased by \$1,645,833 from the prior year. This increase is largely due to the water and sewer rates increasing on November 30, 2015 (and not again until January 2017).

	Change in Net Position					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for services	\$ 5,644,834	\$ 5,456,918	\$13,257,931	\$11,639,920	\$18,902,765	\$17,096,838
Grants/contributions:						
Operating	166,295	159,059	-	-	166,295	159,059
Capital	27,601	1,001,700	169,968	125,076	197,569	1,126,776
General revenues:						
Property taxes	11,516,766	10,920,470	-	-	11,516,766	10,920,470
State shared revenue	2,739,040	2,707,778	-	-	2,739,040	2,707,778
Unrestricted investment earnings	61,348	52,729	28,047	27,997	89,395	80,726
Gain on sale of capital assets	11,618	21,100	-	17,120	11,618	38,220
Total revenues	20,167,502	20,319,754	13,455,946	11,810,113	33,623,448	32,129,867
Expenses						
General government	1,866,037	4,991,228	-	-	1,866,037	4,991,228
Public safety	11,105,474	10,827,667	-	-	11,105,474	10,827,667
Public works	3,682,229	2,935,584	-	-	3,682,229	2,935,584
Planning and zoning	679,520	580,313	-	-	679,520	580,313
Parks and recreation	1,215,857	1,040,377	-	-	1,215,857	1,040,377
Interest on debt	121,904	113,348	-	-	121,904	113,348
Water and sewer	-	-	12,979,953	11,714,090	12,979,953	11,714,090
Total expenses	18,671,021	20,488,517	12,979,953	11,714,090	31,650,974	32,202,607
Change in net position before transfers	1,496,481	(168,763)	475,993	96,023	1,972,474	(72,740)
Transfers	(230,000)	(230,000)	230,000	230,000	-	-
Change in net position	1,266,481	(398,763)	705,993	326,023	1,972,474	(72,740)
Net position:						
Beginning of year, Previously stated	32,434,263	39,895,886	36,011,473	36,302,075	68,445,736	76,197,961
Restatement	-	(7,062,860)	-	(616,625)	-	(7,679,485)
End of year	\$33,700,744	\$32,434,263	\$36,717,466	\$36,011,473	\$70,418,210	\$68,445,736

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

Financial Analysis of the Township's Funds

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the Township's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Township's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Township's governmental funds reported combined ending fund balances of \$10,408,625, a decrease of \$869,170 from the prior year. Approximately 36.9% of this total amount (or \$3,841,454) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted or committed to indicate that it is not available for new spending.

The general fund is the chief operating fund of the Township. At the end of the current fiscal year, the total fund balance of the general fund was \$5,600,332, of which \$3,841,454 was unassigned. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total general fund expenditures. Unassigned fund balance represents 50.5% of total general fund expenditures. Overall, the fund balance of the general fund decreased by \$587,200 for the year, yet still resulting in a final favorable budget variance of \$507,451.

Other factors affecting the general fund financial results for the year include:

- Total general fund revenues increased approximately 3.4% compared to the prior fiscal year. Most of the general fund revenues are provided by property taxes collected, which were higher by 4.5% compared to last fiscal year. State shared revenue increased approximately 1.6% from the previous year.
- The Township transferred approximately \$5.5 million to the public safety fund to support its operations.

The public safety special revenue fund had an ending fund balance of \$1,993,249. This balance is a decrease from the previous year of \$76,742 due to contractual increases in personnel costs. The Township previously elected to maintain these operations under a single separate fund to accurately reflect the true total costs of the public safety department.

The Michigan Avenue East debt service fund is used to account for special assessment revenue and the repayment of principal and interest. The fund had expenditures of \$142,479 during the year that were financed by special assessments revenues and transfers in. The fund has \$1,092,385 of special assessments receivable at year end.

General Fund Budgetary Highlights

The Township takes an active role in monitoring all departmental needs and budget requests throughout the fiscal year. The Township will continue to find ways to reduce costs and still provide the essential services to the citizens of Pittsfield, allowing for favorable budgetary results.

Revenues were \$409,559 or 3.1% below the amended budget amounts. Contributing factors include intergovernmental and other revenues under the amended budget by \$103,229 and \$355,098, respectively. The intergovernmental revenues, particularly the state shared revenue, were less than the estimated amounts per the State of Michigan. Additionally, administrative charges and special assessments were lower than expected.

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

Expenditures were \$880,306 under the amended budget amounts. Expenditures by function under the amended budget include general government by \$436,603. Some of the contributing factors were from assessor (\$69,291), human resources and administrative services (\$139,221), and information technology (\$111,920). The assessing department budgeted for part-time help, which was never filled. Additionally, the assessor was able to settle the majority of cases that arose during the year without the help with outside legal counsel. The human resources and administrative departments budgeted for a director position (full-time, with benefits), however, that was not filled. Furthermore, there were less community engagement activities conducted during the year. The information technology department budgeted for an assistant position (full-time, with benefits), however a part-time assistant was hired instead.

Culture and recreation expenditures were under budget by \$131,766 for parks and recreation (\$119,998) and historical commission (\$11,768). The parks and recreation department budgeted for a director (full-time, with benefits) that remained open for four months during 2016. Additionally, demand for and attendance of parks programs was down during the year, resulting in less expenditures as well. The historical commission department planned to perform a large project during the year, however, the department did not achieve as much progress on the project as anticipated.

Other unallocated expenditures were under budget by \$104,238. Capital outlay expenditures were under budget by \$172,900. The Township planned to repave several Township parking lots and replace various capital assets, however, the Township did not do such during the year.

Capital Asset and Debt Administration

Capital Assets. At the end of fiscal 2016, the Township had \$66,399,163 invested in a broad range of net capital assets including land and land improvements, buildings and system improvements, sidewalks, roads, police and fire equipment, vehicles, parks facilities, and water and sewer systems.

	Capital Assets (Net of Depreciation)					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land and easements	\$24,078,168	\$24,016,137	\$ 510,118	\$ 510,118	\$24,588,286	\$24,526,255
Construction in progress	-	-	176,810	100,724	176,810	100,724
Buildings/improvements	1,788,038	2,058,614	443,013	474,657	2,231,051	2,533,271
Infrastructure	5,141,776	2,826,835	32,155,359	32,490,735	37,297,135	35,317,570
Machinery and equipment	1,333,233	1,600,997	772,648	536,791	2,105,881	2,137,788
Total capital assets, net	\$32,341,215	\$30,502,583	\$34,057,948	\$34,113,025	\$66,399,163	\$64,615,608

Major capital asset events during the current fiscal year included:

- Replaced damaged roof on the Township Administration Building
- Purchased cell phone/mobile forensic software program for the Public Safety Department
- Purchased five vehicles to be used by the Public Safety Department
- Purchased a Freightliner Vactor Truck for the Utilities Department
- Purchased a K-9 german shepherd service dog for the Public Safety Department
- Purchased a Bobcat 3650 vehicle and a Ferris 61' mower deck equipment for the Parks Department

PITTSFIELD CHARTER TOWNSHIP

Management's Discussion and Analysis

Additional information on the Township's capital asset activity may be found in the Capital Assets section of the notes to the financial statements.

Long-term Debt. At the end of the current fiscal year, the Township had total long-term debt (excluding compensated absences) outstanding of \$9,928,552 which is backed by the full faith and credit of the government.

	Outstanding Debt					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Installment obligations	\$ 600,000	\$ 1,185,000	\$ -	\$ -	\$ 600,000	\$ 1,185,000
General obligation bonds	-	-	7,811,080	8,881,080	7,811,080	8,881,080
Special assessments debt w/ government commitment	1,517,442	1,613,266	-	-	1,517,442	1,613,266
Total outstanding debt	\$ 2,117,442	\$ 2,798,266	\$ 7,811,080	\$ 8,881,080	\$ 9,928,522	\$11,679,346

The Township has an AA+ rating from Standard & Poor's on its general obligation bonds.

Additional information on the Township's long-term debt activity can be found in the Long-term Debt section of the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

The Township's expenditure budget for next fiscal year is \$467,114 higher than the current year amended budget which includes \$1,408,972 of fund balance that will be used for capital expenditures. Revenues are budgeted to be \$749,314 higher. This increase in the budget is due to the Township adopting the maximum millage levy allowed for fiscal year 2017. The Township is expecting a slow rebound in assessed property values and continues to seek cost savings and other grant funding sources. The Township's goal is to preserve jobs with no reduction in service levels.

Contacting the Township's Management

This financial report is intended to provide our citizens, taxpayers, customers and investors with a general overview of the Township's finances and to show the Township's accountability for the money it receives. If you have questions about this report or need additional information, you are welcome to contact the Clerk's Office at (734) 822-3120.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

PITTSFIELD CHARTER TOWNSHIP

Statement of Net Position

December 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation
Assets				
Cash and cash equivalents	\$ 10,694,065	\$ 10,459,778	\$ 21,153,843	\$ 8,926
Receivables	2,655,828	1,764,130	4,419,958	-
Internal balances	(556)	556	-	-
Other assets	139,679	258,466	398,145	-
Capital assets not being depreciated	24,078,168	686,928	24,765,096	-
Capital assets being depreciated, net	8,263,047	33,371,020	41,634,067	-
Net other postemployment benefit asset	388,055	-	388,055	-
Total assets	46,218,286	46,540,878	92,759,164	8,926
Deferred outflows of resources				
Deferred pension amounts	2,724,266	255,028	2,979,294	-
Deferred loss on refunding	13,153	94,194	107,347	-
Total deferred outflows of resources	2,737,419	349,222	3,086,641	-
Liabilities				
Accounts payable	1,499,569	1,279,205	2,778,774	4,786
Accrued liabilities	241,862	13,354	255,216	-
Unearned revenue	65,770	-	65,770	-
Long-term liabilities:				
Due within one year	1,325,237	640,000	1,965,237	-
Due in more than one year	1,820,899	7,275,706	9,096,605	-
Net pension liability	9,818,764	919,167	10,737,931	-
Total liabilities	14,772,101	10,127,432	24,899,533	4,786
Deferred inflows of resources				
Deferred pension amounts	482,860	45,202	528,062	-
Net position				
Net investment in capital assets	31,723,059	26,246,868	57,969,927	-
Restricted for:				
General government	260,413	-	260,413	-
Public safety	2,881,035	-	2,881,035	-
Public works	452,471	-	452,471	-
Culture and recreation	504,690	-	504,690	-
Debt service	218,241	-	218,241	-
Other governmental programs	176,247	-	176,247	-
Unrestricted (deficit)	(2,515,412)	10,470,598	7,955,186	4,140
Total net position	\$ 33,700,744	\$ 36,717,466	\$ 70,418,210	\$ 4,140

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Activities

For the Year Ended December 31, 2016

Functions / Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government					
Governmental activities:					
General government	\$ 1,866,037	\$ 3,544,774	\$ 122,100	\$ -	\$ 1,800,837
Public safety	11,105,474	1,437,775	39,195	-	(9,628,504)
Public works	3,682,229	323,379	-	27,601	(3,331,249)
Planning and zoning	679,520	65,437	-	-	(614,083)
Culture and recreation	1,215,857	273,469	5,000	-	(937,388)
Interest on long-term debt	121,904	-	-	-	(121,904)
Total governmental activities	18,671,021	5,644,834	166,295	27,601	(12,832,291)
Business-type activities -					
Water and sewer	12,979,953	13,257,931	-	169,968	447,946
Total primary government	\$ 31,650,974	\$ 18,902,765	\$ 166,295	\$ 197,569	\$ (12,384,345)
Component unit					
Economic Development Corporation	\$ 1,154	\$ -	\$ -	\$ -	\$ (1,154)

continued...

PITTSFIELD CHARTER TOWNSHIP

Statement of Activities

For the Year Ended December 31, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Changes in net position				
Net (expense) revenue	\$ (12,832,291)	\$ 447,946	\$ (12,384,345)	\$ (1,154)
General revenues:				
Property taxes	11,516,766	-	11,516,766	-
State shared revenue	2,739,040	-	2,739,040	-
Unrestricted investment earnings	61,348	28,047	89,395	-
Gain on sale of capital assets	11,618	-	11,618	-
Transfers	(230,000)	230,000	-	-
Total general revenues and transfers	14,098,772	258,047	14,356,819	-
Change in net position	1,266,481	705,993	1,972,474	(1,154)
Net position, beginning of year	32,434,263	36,011,473	68,445,736	5,294
Net position, end of year	\$ 33,700,744	\$ 36,717,466	\$ 70,418,210	\$ 4,140

concluded.

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

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FUND FINANCIAL STATEMENTS

PITTSFIELD CHARTER TOWNSHIP

Balance Sheet

Governmental Funds

December 31, 2016

	General	Public Safety	Michigan Avenue East	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 5,933,089	\$ 2,271,342	\$ 111,417	\$ 2,378,217	\$ 10,694,065
Receivables:					
Accounts	741,256	91,347	-	536,440	1,369,043
Special assessments	-	-	1,092,385	186,411	1,278,796
Due from other funds	-	245	-	11,040	11,285
Prepaid items	16,446	14,975	-	466	31,887
Total assets	\$ 6,690,791	\$ 2,377,909	\$ 1,203,802	\$ 3,112,574	\$ 13,385,076
Liabilities					
Accounts payable	\$ 525,948	\$ 247,894	\$ -	\$ 191,948	\$ 965,790
Accrued liabilities	10,808	115,388	-	3,950	130,146
Due to other funds	-	-	-	11,491	11,491
Due to other governments	78,192	-	-	-	78,192
Escrow payable	431,119	-	-	15,147	446,266
Unearned revenue	44,392	21,378	-	-	65,770
Total liabilities	1,090,459	384,660	-	222,536	1,697,655
Deferred inflows of resources					
Unavailable revenue - special assessments	-	-	1,092,385	186,411	1,278,796
Fund balances					
Nonspendable - prepaid items	16,446	14,975	-	466	31,887
Restricted for:					
General government	-	-	-	260,413	260,413
Public safety	-	1,588,653	-	1,292,382	2,881,035
Public works	-	-	-	452,471	452,471
Culture and recreation	-	-	-	504,690	504,690
Debt service	-	-	111,417	106,824	218,241
Drug enforcement	-	27,433	-	-	27,433
Right-a-way	121,232	-	-	-	121,232
Police/Dispatch training grants	-	17,780	-	-	17,780
Donations	6,200	3,602	-	-	9,802
Committed for:					
Capital projects	650,000	340,806	-	86,381	1,077,187
Budget stabilization	965,000	-	-	-	965,000
Unassigned	3,841,454	-	-	-	3,841,454
Total fund balances	5,600,332	1,993,249	111,417	2,703,627	10,408,625
Total liabilities, deferred inflows of resources and fund balances	\$ 6,690,791	\$ 2,377,909	\$ 1,203,802	\$ 3,112,574	\$ 13,385,076

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

PITTSFIELD CHARTER TOWNSHIP

Reconciliation

Fund Balances of Governmental Funds to Net Position of
Governmental Activities
December 31, 2016

Fund balances - total governmental funds	\$ 10,408,625
Amounts reported for <i>governmental activities</i> in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore are not reported in the fund statement.	
Capital assets	54,950,325
Accumulated depreciation	(22,609,110)
Internal service funds are used by management to charge the costs of certain equipment usage to individual governmental funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	
Net position of governmental internal service funds	4,065
Portion of internal service funds net position attributed to business-type funds	(350)
Unavailable revenue is not a current financial resource and therefore is not reported as revenue in the governmental funds.	
	1,278,796
Losses on refunding are not reported in the governmental funds, whereas they are capitalized and amortized for net position.	
	13,153
Certain liabilities, such as bonds payable, are not due and payable in the current period, and therefore are not reported in the funds.	
Bonds, installment contracts and special assessments payable	(2,117,442)
Unamortized premium on refunding bonds	(31,309)
Accrued interest on bonds and installment contracts payable	(9,321)
Compensated absences	(997,385)
Certain pension-related amounts, such as the net pension liability and deferred amounts are not due and payable in the current period or do not represent current financial resources and therefore are not reported in the funds.	
Net pension liability	(9,818,764)
Deferred outflows related to the net pension liability	2,724,266
Deferred inflows related to the net pension liability	(482,860)
Net other postemployment benefit asset	388,055
Net position of governmental activities	<u>\$ 33,700,744</u>

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the Year Ended December 31, 2016

	General	Public Safety	Michigan Avenue East	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Taxes and special assessments	\$ 7,358,916	\$ 3,431,208	\$ 57,012	\$ 906,528	\$ 11,753,664
Licenses and permits	132,753	35,177	-	599,242	767,172
Intergovernmental	2,775,551	36,699	-	4,000	2,816,250
Charges for services	1,395,045	21,852	-	1,942,839	3,359,736
Fines and forfeitures	1,800	117,856	-	-	119,656
Franchise fees	581,539	-	-	-	581,539
Investment earnings	48,916	8,949	143	3,340	61,348
Donations	5,000	4,707	-	-	9,707
Other revenues	614,102	182,975	-	79,369	876,446
Total revenues	12,913,622	3,839,423	57,155	3,535,318	20,345,518
Expenditures					
Current:					
General government	3,195,798	-	-	11,700	3,207,498
Public safety	112,145	9,197,593	-	981,620	10,291,358
Public works	2,105,004	-	-	1,455,601	3,560,605
Planning and zoning	649,780	-	-	-	649,780
Culture and recreation	1,053,287	-	-	58,385	1,111,672
Other unallocated	319,491	-	-	-	319,491
Debt service:					
Principal	-	-	70,000	605,824	675,824
Interest and fiscal charges	-	-	55,939	27,021	82,960
Bond issuance costs	-	-	16,540	-	16,540
Capital outlay	177,625	218,572	-	689,303	1,085,500
Total expenditures	7,613,130	9,416,165	142,479	3,829,454	21,001,228
Revenues over (under) expenditures	5,300,492	(5,576,742)	(85,324)	(294,136)	(655,710)
Other financing sources (uses)					
Transfers in	3,595	5,500,000	63,105	102,081	5,668,781
Transfers out	(5,891,287)	-	-	(7,494)	(5,898,781)
Issuance of bonds	-	-	1,295,000	-	1,295,000
Premium on bond	-	-	29,137	-	29,137
Payment to escrow agent	-	-	(1,307,597)	-	(1,307,597)
Total other financing sources (uses)	(5,887,692)	5,500,000	79,645	94,587	(213,460)
Net change in fund balances	(587,200)	(76,742)	(5,679)	(199,549)	(869,170)
Fund balances, beginning of year	6,187,532	2,069,991	117,096	2,903,176	11,277,795
Fund balances, end of year	\$ 5,600,332	\$ 1,993,249	\$ 111,417	\$ 2,703,627	\$ 10,408,625

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

PITTSFIELD CHARTER TOWNSHIP

Reconciliation

Net Change in Fund Balances of Governmental Funds to
Change in Net Position of Governmental Activities
For the Year Ended December 31, 2016

Net change in fund balances - total governmental funds \$ (869,170)

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

Collection of special assessments levied in the prior years provides current financial gain in the funds, but do not affect net position. (143,543)

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.

Capital outlay	2,936,075
Depreciation expense	(1,062,970)
Net book value of assets disposed	(34,473)

Bond proceeds provide current financial resources to governmental funds in the period issued, but issuing bonds increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Refunding bond proceeds	(1,295,000)
Premium on bonds	(29,137)
Payment to escrow agent	1,307,597
Principal payments on long-term liabilities	675,824

Accrued interest expense on bonds and the amortization of bond premiums and deferred losses are not recorded by governmental funds, but are reported under interest and fiscal charges for purposes of net position.

Change in accrued interest payable on bonds	8,770
Amortization of premium	2,170
Amortization of deferred loss on refunding	(20,747)

Internal service funds are used by management to charge the costs of certain equipment usage to individual governmental funds. The net revenues (expense) attributable to those funds is reported with governmental activities.

Net operating gain from governmental activities in internal service funds	3,715
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in the net pension liability and related deferred amounts	(120,993)
Change in other postemployment benefit asset	(24,610)
Change in the accrual for compensated absences	(67,027)

Change in net position of governmental activities \$ 1,266,481

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ 7,372,801	\$ 7,372,801	\$ 7,358,916	\$ (13,885)
Licenses and permits	102,800	112,800	132,753	19,953
Intergovernmental	2,853,780	2,878,780	2,775,551	(103,229)
Charges for services	1,384,600	1,384,600	1,395,045	10,445
Fines and forfeitures	10,000	10,000	1,800	(8,200)
Franchise fees	550,000	550,000	581,539	31,539
Investment earnings	45,000	45,000	48,916	3,916
Donations	-	-	5,000	5,000
Other revenues	969,200	969,200	614,102	(355,098)
Total revenues	13,288,181	13,323,181	12,913,622	(409,559)
Expenditures				
General government:				
Township board	71,796	68,346	61,766	(6,580)
Township supervisor	185,517	188,967	187,446	(1,521)
Elections	226,800	230,350	227,335	(3,015)
Finance	350,000	345,900	318,659	(27,241)
Assessor	499,921	499,921	430,630	(69,291)
Township clerk	385,282	380,132	377,013	(3,119)
Human resources / admin services	632,430	632,430	493,209	(139,221)
Board of review	4,500	4,500	2,845	(1,655)
Administrative	60,000	60,000	47,124	(12,876)
Professional services	135,000	135,000	125,758	(9,242)
Township treasurer	450,000	450,000	446,036	(3,964)
Information technology	422,950	422,950	311,030	(111,920)
Building and grounds	211,600	213,905	166,947	(46,958)
Total general government	3,635,796	3,632,401	3,195,798	(436,603)
Public safety -				
Property maintenance inspections	122,132	122,132	112,145	(9,987)
Public works -				
Highways, streets and drains	1,635,000	2,112,400	2,105,004	(7,396)

continued...

PITTSFIELD CHARTER TOWNSHIP

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - General Fund

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded)				
Planning and zoning -				
Municipal services	\$ 602,196	\$ 667,196	\$ 649,780	\$ (17,416)
Culture and recreation:				
Parks and recreation	1,129,878	1,167,053	1,047,055	(119,998)
Historical commission	18,000	18,000	6,232	(11,768)
Total culture and recreation	1,147,878	1,185,053	1,053,287	(131,766)
Other unallocated	675,000	423,729	319,491	(104,238)
Capital outlay	491,000	350,525	177,625	(172,900)
Total expenditures	8,309,002	8,493,436	7,613,130	(880,306)
Revenues over expenditures	4,979,179	4,829,745	5,300,492	470,747
Other financing sources (uses)				
Transfers in	-	-	3,595	3,595
Transfers out	(5,826,630)	(5,924,396)	(5,891,287)	33,109
Total other financing uses	(5,826,630)	(5,924,396)	(5,887,692)	36,704
Net change in fund balances	(847,451)	(1,094,651)	(587,200)	507,451
Fund balances, beginning of year	6,187,532	6,187,532	6,187,532	-
Fund balances, end of year	\$ 5,340,081	\$ 5,092,881	\$ 5,600,332	\$ 507,451

concluded.

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Public Safety Special Revenue Fund

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ 3,411,855	\$ 3,411,855	\$ 3,431,208	\$ 19,353
Licenses and permits	37,000	37,000	35,177	(1,823)
Intergovernmental	62,000	397,651	36,699	(360,952)
Charges for services	26,300	26,300	21,852	(4,448)
Fines and forfeitures	140,000	140,000	117,856	(22,144)
Investment earnings	10,000	10,000	8,949	(1,051)
Donations	500	500	4,707	4,207
Other revenue	235,500	235,500	182,975	(52,525)
Total revenues	3,923,155	4,258,806	3,839,423	(419,383)
Expenditures				
Public safety	9,618,816	9,608,816	9,197,593	(411,223)
Capital outlay	232,000	577,651	218,572	(359,079)
Total expenditures	9,850,816	10,186,467	9,416,165	(770,302)
Revenues under expenditures	(5,927,661)	(5,927,661)	(5,576,742)	350,919
Other financing sources				
Transfers in	5,500,000	5,500,000	5,500,000	-
Net change in fund balances	(427,661)	(427,661)	(76,742)	350,919
Fund balances, beginning of year	2,069,991	2,069,991	2,069,991	-
Fund balances, end of year	\$ 1,642,330	\$ 1,642,330	\$ 1,993,249	\$ 350,919

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Net Position

Proprietary Funds
December 31, 2016

	Business-type Activities - Water and Sewer Enterprise Fund	Governmental Activities - Medical Insurance Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,459,778	\$ -
Accounts receivable	1,764,130	7,989
Due from other funds	1,246	-
Inventory	255,986	-
Prepaid items	2,480	107,792
Total current assets	<u>12,483,620</u>	<u>115,781</u>
Noncurrent assets:		
Capital assets not being depreciated	686,928	-
Capital assets being depreciated, net	33,371,020	-
Total noncurrent assets	<u>34,057,948</u>	<u>-</u>
Total assets	<u>46,541,568</u>	<u>115,781</u>
Deferred outflows of resources		
Deferred pension amounts	255,028	-
Deferred loss on refunding	94,194	-
Total deferred outflows of resources	<u>349,222</u>	<u>-</u>
Liabilities		
Current liabilities:		
Accounts payable	1,066,848	-
Accrued liabilities	13,354	111,716
Accrued interest	35,238	-
Escrow payable	177,119	-
Due to other funds	1,040	-
Compensated absences, current portion	40,000	-
Bonds payable, current portion	600,000	-
Total current liabilities	<u>1,933,599</u>	<u>111,716</u>
Noncurrent liabilities:		
Net pension liability	919,167	-
Compensated absences, net of current portion	64,626	-
Bonds payable, net of current portion	7,211,080	-
Total noncurrent liabilities	<u>7,275,706</u>	<u>-</u>
Total liabilities	<u>10,128,472</u>	<u>111,716</u>
Deferred inflows of resources		
Deferred pension amounts	45,202	-
Net position		
Net investment in capital assets	26,246,868	-
Unrestricted	10,470,248	4,065
Total net position	<u>\$ 36,717,116</u>	<u>\$ 4,065</u>

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

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PITTSFIELD CHARTER TOWNSHIP

Reconciliation

Net Position of Enterprise Funds
to Net Position of Business-type Activities
December 31, 2016

Net position - total enterprise funds \$ 36,717,116

Amounts reported for *business-type activities* in the statement of net position
are different because:

Internal service funds are used by management to charge the costs of certain services
to individual governmental and enterprise funds. The net revenues (expense) of
the internal service funds are allocated to governmental and business-type activities.

Portion of internal service funds cumulative net operating income
attributed to enterprise funds.

350

Net position of business-type activities

\$ 36,717,466

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended December 31, 2016

	Business-type Activities - Water and Sewer Enterprise Fund	Governmental Activities - Medical Insurance Internal Service Fund
Operating revenues		
Charges for services	\$ 13,253,177	\$ 1,889,537
Other	4,754	-
Total operating revenues	<u>13,257,931</u>	<u>1,889,537</u>
Operating expenses		
Personal services	1,311,390	-
Materials and supplies	8,926,921	-
Contractual	104,656	-
Insurance	62,810	-
Maintenance	302,180	-
Benefits and insurance premiums	-	1,885,472
Other expense	501,565	-
Depreciation	1,437,954	-
Total operating expenses	<u>12,647,476</u>	<u>1,885,472</u>
Operating income	<u>610,455</u>	<u>4,065</u>
Nonoperating revenues (expenses)		
Investment earnings	28,047	-
Debt service:		
Bond issuance costs	(65,849)	-
Interest expense and fees	(266,978)	-
Total nonoperating revenues (expenses)	<u>(304,780)</u>	<u>-</u>
Income before contributions and transfers	305,675	4,065
Capital contributions - tap fees and other	169,968	-
Transfers in	<u>230,000</u>	<u>-</u>
Change in net position	705,643	4,065
Net position, beginning of year	<u>36,011,473</u>	<u>-</u>
Net position, end of year	<u><u>\$ 36,717,116</u></u>	<u><u>\$ 4,065</u></u>

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

PITTSFIELD CHARTER TOWNSHIP

Reconciliation

Change in Net Position of Enterprise Funds
to Change in Net Position of Business-type Activities
For the Year Ended December 31, 2016

Change in net position - total enterprise funds \$ 705,643

Amounts reported for *business-type activities* in the statement of activities
are different because:

Internal service funds are used by management to charge the costs of certain services
to individual governmental and enterprise funds. The current year net operating gain of
the internal service funds are allocated to governmental and business-type activities.

350

Change in net position of business-type activities \$ 705,993

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2016

	Business-type Activities - Water and Sewer Enterprise Fund	Governmental Activities - Medical Insurance Internal Service Fund
Cash flows from operating activities		
Receipts from customers and users	\$ 13,525,729	\$ -
Receipts from interfund services	-	1,881,548
Payments to suppliers	(10,489,035)	(1,881,548)
Payments to employees	(1,292,093)	-
	<u>1,744,601</u>	<u>-</u>
Net cash provided by operating activities		
	<u>1,744,601</u>	<u>-</u>
Cash flows provided by noncapital financing activities		
Transfers in	230,000	-
	<u>230,000</u>	<u>-</u>
Cash flows from capital and related financing activities		
Principal paid on debt	(475,000)	-
Interest paid on debt	(328,131)	-
Proceeds from issuance of debt	4,630,000	-
Bond issuance costs	(65,849)	-
Refunding of debt	(5,225,000)	-
Purchase of capital assets	(1,382,877)	-
Cash contributions for tap fees	169,968	-
	<u>(2,676,889)</u>	<u>-</u>
Net cash used in capital and related financing activities		
	<u>(2,676,889)</u>	<u>-</u>
Cash flows provided by investing activities		
Interest received on investments	28,047	-
	<u>28,047</u>	<u>-</u>
Change in cash and cash equivalents	(674,241)	-
Cash and cash equivalents, beginning of year	11,134,019	-
	<u>11,134,019</u>	<u>-</u>
Cash and cash equivalents, end of year	<u>\$ 10,459,778</u>	<u>\$ -</u>

continued...

PITTSFIELD CHARTER TOWNSHIP

Statement of Cash Flows

Proprietary Funds

For the Year Ended December 31, 2016

Cash flows from operating activities

Operating income	\$ 610,455	\$ 4,065
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	1,437,954	-
Change in:		
Accounts receivable	258,783	(7,989)
Due from other governments	9,015	-
Due from other funds	2,180	-
Inventory	(45,482)	-
Prepaid items	98	(107,792)
Accounts payable	(588,403)	-
Accrued liabilities	5,236	111,716
Escrow payable	(14,757)	-
Due to other funds	(2,900)	-
Net pension liability and deferred amounts	58,361	-
Compensated absences	14,061	-
	<u>\$ 1,744,601</u>	<u>\$ -</u>
Net cash provided by operating activities		

concluded.

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

PITTSFIELD CHARTER TOWNSHIP

Statement of Fiduciary Assets and Liabilities

Agency Funds
December 31, 2016

Assets

Cash and cash equivalents	\$ 12,774,431
Due from other governments	<u>172</u>

Total assets

\$ 12,774,603

Liabilities

Undistributed receipts	<u><u>\$ 12,774,603</u></u>
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The accompanying notes are an integral part of these basic financial statements.

NOTES TO FINANCIAL STATEMENTS

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Pittsfield Charter Township, Washtenaw County, Michigan (the "Township") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

Reporting Entity

As required by generally accepted accounting principles, these financial statements present the government and its component unit, an entity for which the government is considered to be financially accountable. Blended component units, if any, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

Discretely Presented Component Unit

Pittsfield Township Economic Development Corporation (the "EDC") - The EDC, established pursuant to State statutes, was formed to assist economic activity in the Township, primarily through the issuance of tax-exempt bonds. The Township has no obligation to fund deficits of the EDC nor does it guarantee its debt. Members of the EDC's Board of Directors are appointed by the Township's Board of Trustees. Although the EDC does not otherwise meet the criteria for inclusion, the Township has determined that its exclusion would render the financial statements misleading. Separate financial statements are not issued for the EDC. Instead, the activities of the EDC are presented in the statements of net position and activities (and no adjustments are required for this accrual basis presentation).

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government 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 given functions or segments 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 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*.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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

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 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, or within one year for reimbursement based grants. 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, state shared revenue, 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.

The Township reports the following major governmental funds:

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

The *public safety special revenue fund* accounts for the public safety millage revenue and related expenditures.

The *Michigan Avenue East debt service fund* accounts for the resources accumulated and payments made for principal and interest on the Michigan Avenue East drain assessment debt.

The government reports the following major proprietary fund:

The *water and sewer enterprise fund* accounts for the activities of the water distribution and the sewage disposal and treatment system, which are financed primarily by user charges.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Additionally, the government reports the following fund types:

The *special revenue funds* are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

The *debt service funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

The *capital projects funds* are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The *agency funds* are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the government holds for others in an agency capacity (such as taxes collected for other governments).

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. 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 *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Equity

Deposits and Investments

The Township's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the government to deposit in the accounts of federally insured banks, credit unions and savings and loan associations and to invest in obligations of the United States, certain commercial paper, repurchase agreements, banker acceptances and mutual funds composed of otherwise legal investments.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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*. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as *internal balances*. Advances between funds, if any, are offset by a nonspendable fund balance account in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Inventory and Prepaid Items

Inventory is valued at cost, which approximates market, using the first in/first out method. The costs of governmental fund type inventory is primarily recorded as expenditures when purchased rather than when consumed.

Payments made to vendors for services that will benefit future periods are recorded as prepaid items, using the consumption method, in both government-wide and fund financial statements.

Capital Assets

Capital assets, which include land, buildings, equipment, vehicles and infrastructure assets (e.g., roads, bridges, drains and similar items), with an initial cost greater than \$5,000, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition cost at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

Asset	Years
Buildings and improvements	15-30
Infrastructure	15-50
Machinery and equipment	5-20

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources until then. The Township has two items that qualifies for reporting in this category, reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The Township also reports deferred outflows of resources for change in expected and actual investment returns, assumptions, and benefits provided in its pension plans.

Compensated Absences

In accordance with contracts negotiated with the various employee groups of the Township, individual employees have vested rights upon termination of employment to receive payment for unused vacation and sick leave under formulas and conditions specified in the contracts. All sick and vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only when they have matured or come due. The compensated absences balance related to the governmental funds is a liability recorded in the statement of net position.

Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. First, the governmental funds report unavailable revenues, which arises only under a modified accrual basis of accounting, from special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Additionally, the Township reports deferred inflows of resources related to pension amounts.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Fund Equity and Net Position Flow Assumption

Governmental funds report *nonspendable* fund balance for amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. *Restricted* fund balance is reported when externally imposed constraints are placed on the use of resources by grantors, contributors, or laws or regulations of other governments. *Committed* fund balance is reported for amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Trustees (the government's highest level of decision-making authority). A formal resolution of the Board of Trustees is required to establish, modify, or rescind a fund balance commitment. The Township may report *assigned* fund balance for amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed; however, the Board of Trustees has not yet authorized anyone to assign fund balance. *Unassigned* fund balance is the residual classification for the general fund or deficit fund balances in other funds, of which there are none.

When the government incurs an expenditure for purposes for which various fund balance classifications can be used, it is the government's policy to use restricted fund balance first, then committed, assigned, and finally unassigned fund balance.

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

2. BUDGETARY INFORMATION

Annual appropriated budgets are adopted on a basis consistent with generally accepted accounting principles for the general and special revenue funds. All annual appropriations lapse at year-end. Public hearings are conducted in September and October to obtain citizen comment. Prior to December 15 of each year, the Township Supervisor submits to the Township Board a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them for the upcoming year. A budget is legally enacted by the Township Board through the passage of a budget resolution on or before December 15. Line item budgets are adopted for internal financial management; however, the legal level of control for the budgets is at the departmental basis. Formal budgetary integration is employed as a management control device for the general and special revenue funds; budgets for these funds are prepared and adopted on a basis consistent with generally accepted accounting principles. The Township does not employ encumbrance accounting as an extension of formal budgetary integration in the governmental funds.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

3. EXCESS OF EXPENDITURES OVER BUDGET

State statutes provide that a local unit shall not incur expenditures in excess of the amount appropriated. During the year ended December 31, 2016, the Township incurred certain expenditures in excess of the amounts appropriated as follows:

	Final Budget	Actual	Over Budget
800 MHz Consortium			
Public safety	\$ 132,200	\$ 136,333	\$ 4,133

4. DEPOSITS AND INVESTMENTS

Following is a reconciliation of deposits and investments as of December 31, 2016:

	Primary Government	Component Unit	Totals
Statement of Net Position			
Cash and cash equivalents	\$ 21,153,843	\$ 8,926	\$ 21,162,769
Statement of Fiduciary Assets and Liabilities			
Cash and cash equivalents	12,774,431	-	12,774,431
Total	<u>\$ 33,928,274</u>	<u>\$ 8,926</u>	<u>\$ 33,937,200</u>
Deposits and investments			
Bank deposits (checking, savings and certificates of deposit)			\$ 19,965,530
Collateralized sweep accounts			13,970,970
Cash on hand			700
Total			<u>\$ 33,937,200</u>

Custodial Credit Risk - Deposits. Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Township's deposits may not be returned. Deposits are exposed to custodial credit risk if they are not covered by depository insurance. State law does not require and the Township does not have a policy for deposit custodial credit risk.

At year-end, \$11,134,730 of the combined bank balance of \$25,478,432 of deposits and collateralized sweep accounts (total book balance of \$33,936,500) was exposed to custodial credit risk as it was uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable level are used as depositories.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

5. RECEIVABLES

Receivables in the governmental activities are 52 percent accounts receivable and 48 percent taxes and special assessments. Approximately 90 percent, or \$1,145,287, of the special assessment receivables are not expected to be collected within one year. Business-type activities accounts receivable are 100% due from customers.

6. CAPITAL ASSETS

Primary government

Capital asset activity for the primary government for the year ended December 31, 2016, was as follows:

	Beginning Balance	Transfers	Additions	Disposals	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land and easements	\$ 24,016,137	\$ -	\$ 62,031	\$ -	\$ 24,078,168
Capital assets being depreciated:					
Buildings and improvements	6,160,488	-	-	-	6,160,488
Infrastructure	13,403,834	-	2,607,880	-	16,011,714
Machinery and equipment	8,559,064	-	266,164	(125,273)	8,699,955
	<u>28,123,386</u>	<u>-</u>	<u>2,874,044</u>	<u>(125,273)</u>	<u>30,872,157</u>
Less accumulated depreciation for:					
Buildings and improvements	(4,101,874)	-	(270,576)	-	(4,372,450)
Infrastructure	(10,576,999)	-	(292,939)	-	(10,869,938)
Machinery and equipment	(6,958,067)	-	(499,455)	90,800	(7,366,722)
	<u>(21,636,940)</u>	<u>-</u>	<u>(1,062,970)</u>	<u>90,800</u>	<u>(22,609,110)</u>
Total capital assets being depreciated, net	<u>6,486,446</u>	<u>-</u>	<u>1,811,074</u>	<u>(34,473)</u>	<u>8,263,047</u>
Governmental activities capital assets, net	<u>\$ 30,502,583</u>	<u>\$ -</u>	<u>\$ 1,873,105</u>	<u>\$ (34,473)</u>	<u>\$ 32,341,215</u>

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

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

General government	\$ 435,400
Public safety	440,801
Public works	26,210
Planning and zoning	134,221
Parks and recreation	<u>26,338</u>
Total depreciation expense	<u>\$ 1,062,970</u>

	Beginning Balance	Transfers	Additions	Disposals	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 510,118	\$ -	\$ -	\$ -	\$ 510,118
Construction in progress	100,724	(847,943)	924,029	-	176,810
	<u>610,842</u>	<u>(847,943)</u>	<u>924,029</u>	<u>-</u>	<u>686,928</u>
Capital assets being depreciated:					
Infrastructure	53,824,137	847,943	-	-	54,672,080
Buildings	949,314	-	-	-	949,314
Machinery and equipment	1,679,670	-	458,848	-	2,138,518
	<u>56,453,121</u>	<u>847,943</u>	<u>458,848</u>	<u>-</u>	<u>57,759,912</u>
Less accumulated depreciation for:					
Infrastructure	(21,333,402)	-	(1,183,319)	-	(22,516,721)
Buildings	(474,657)	-	(31,644)	-	(506,301)
Machinery and equipment	(1,142,879)	-	(222,991)	-	(1,365,870)
	<u>(22,950,938)</u>	<u>-</u>	<u>(1,437,954)</u>	<u>-</u>	<u>(24,388,892)</u>
Total capital assets being depreciated, net	<u>33,502,183</u>	<u>847,943</u>	<u>(979,106)</u>	<u>-</u>	<u>33,371,020</u>
Business-type activities capital assets, net	<u>\$ 34,113,025</u>	<u>\$ -</u>	<u>\$ (55,077)</u>	<u>\$ -</u>	<u>\$ 34,057,948</u>

7. PAYABLES

Payables in the governmental activities are 64 percent due to vendors, 30 percent accrued liabilities, 5 percent due to other governments and 1 percent accrued interest. Business-type activities payables are 77 percent due to vendors, 20 percent accrued liabilities and 3 percent accrued interest.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

8. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At December 31, 2016, amounts due from and due to other funds were as follows:

Receivable funds	Payable Funds		
	Nonmajor Government Funds	Water and Sewer Fund	Totals
Public safety	\$ 245	\$ -	\$ 245
Nonmajor governmental funds	10,000	1,040	11,040
Water and sewer	1,246	-	1,246
	<u>\$ 11,491</u>	<u>\$ 1,040</u>	<u>\$ 12,531</u>

Due to/from balances result primarily from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and/or payments between funds are made. Interfund receivables and payables represent routine and temporary cash flow assistance.

Transfers are used to: (1) move unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations or (2) move revenues from the fund that is required to collect them to the fund that is required or allowed to expend them.

Transfers Out	Transfers In					Totals
	General Fund	Public Safety Fund	Michigan Avenue East Fund	Nonmajor Government Funds	Water and Sewer Fund	
General	\$ -	\$ 5,500,000	\$ 63,105	\$ 98,182	\$ 230,000	\$ 5,891,287
Nonmajor governmental funds	3,595	-	-	3,899	-	7,494
	<u>\$ 3,595</u>	<u>\$ 5,500,000</u>	<u>\$ 63,105</u>	<u>\$ 102,081</u>	<u>\$ 230,000</u>	<u>\$ 5,898,781</u>

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

9. LONG-TERM DEBT

Installment obligations. Installment obligations outstanding at year-end amounted to \$600,000 with interest from 0.85% to 2.70%. Annual debt service requirements to maturity for installment obligations are as follows:

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2017	\$ 600,000	\$ 8,100

Special assessment debt with government commitment. The government has been assessed for its at-large share of certain drainage district project costs, payable over a multiyear period with interest at 1.625% to 5.0%. Special assessment debt with government commitment, for which debt proceeds are received and expended by the Washtenaw County Drain Commission (and the resulting infrastructure capital asset is its property), currently outstanding is as follows:

\$2,180,000 2006 Mallets Creek Serial Bonds due in annual installments of \$19,878 to \$23,664 through 2026, interest 1.625%. The Township's share of the bond is \$412,706 or 17.86% and Washtenaw County's share of the bond is \$1,767,294 or 82.14%.	\$ 222,442
\$1,340,000 2016 Refunding of Michigan Avenue East Serial Bonds due in annual installments of \$85,000 to \$125,000 through 2029, interest at 2.00% to 3.00%.	<u>1,295,000</u>
Total drain assessment bonds payable	<u><u>\$ 1,517,442</u></u>

Annual debt service requirements to maturity for drain assessments are as follows:

Year Ended December 31,	Governmental Activities	
	Principal	Interest
2017	\$ 70,824	\$ 29,315
2018	105,825	27,626
2019	111,771	25,538
2020	116,771	23,334
2021	121,771	21,031
2022-2026	645,482	68,675
2027-2029	344,998	11,200
	<u>\$ 1,517,442</u>	<u>\$ 206,719</u>

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

General obligation bonds - business-type activities. The government issues general obligation bonds to provide funds for the acquisition and construction of major water and sewer system capital infrastructure. The original amount of the outstanding general obligation bonds was \$9,484,650.

General obligation bonds currently outstanding are as follows:

\$4,630,000 2016 Refunding of the 2004 Capital Improvement Serial Bonds due in annual installments of \$405,000 to \$525,000 through 2026, interest at 1.99%.	\$ 4,630,000
\$4,854,650 2010 Drinking Water Revolving Bonds due in annual installments of \$185,000 to \$266,080 through 2030, interest at 2.50%.	<u>3,181,080</u>
Total general obligation bonds	<u><u>\$ 7,811,080</u></u>

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended December 31,	Business-type Activities	
	Principal	Interest
2017	\$ 600,000	\$ 167,635
2018	610,000	154,600
2019	625,000	141,368
2020	645,000	127,762
2021	665,000	113,730
2022-2026	3,640,000	342,327
2027-2030	<u>1,026,080</u>	<u>64,984</u>
	<u><u>\$ 7,811,080</u></u>	<u><u>\$ 1,112,406</u></u>

Compensated absences, net pension liability and net OPEB obligations are generally liquidated by the general fund.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Changes in long-term debt. Long-term debt activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
Installment obligations	\$ 1,185,000	\$ -	\$ (585,000)	\$ 600,000	\$ 600,000
Special assessment debt with government commitment	1,613,266	1,295,000	(1,390,824)	1,517,442	70,824
Unamortized premium	4,342	29,137	(2,170)	31,309	4,413
Compensated absences	930,358	989,803	(922,776)	997,385	650,000
Total governmental activities	\$ 3,732,966	\$ 2,313,940	\$ (2,900,770)	\$ 3,146,136	\$ 1,325,237
Business-type activities					
General obligation bonds	\$ 8,881,080	\$ 4,630,000	\$ (5,700,000)	\$ 7,811,080	\$ 600,000
Unamortized discount	(56,000)	-	56,000	-	-
Compensated absences	90,565	88,545	(74,484)	104,626	40,000
Total business-type activities	\$ 8,915,645	\$ 4,718,545	\$ (5,718,484)	\$ 7,915,706	\$ 640,000

Special assessment debt with government commitment deductions are comprised of the following:

Refunding of the Michigan Avenue East Bonds	\$ 1,300,000
Principal payments on bonds	90,824
Total reductions to bonds	\$ 1,390,824

General obligation bonds deductions are comprised of the following:

Refunding of 2004 General Obligation Bonds	\$ 5,225,000
Principal payments on bonds	475,000
Total reductions to bonds	\$ 5,700,000

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Refunded and Defeased Debt

During fiscal year 2016, the Township advance refunded \$1,300,000 of Michigan Ave East Bonds. As a result, the bonds are considered defeased and the liability has been removed from the statement of net position. The reacquisition price of the refunding bonds was less than the carrying amount of the refunded debt and remaining unamortized premium by \$7,597 and was expensed in the current fiscal year. The refunding resulted in a decrease in future debt service cash flows of \$191,461 and an economic gain of \$215,085. At December 31, 2016, no balances remain outstanding on the refunded debt as all such bonds have been called.

During fiscal year 2016, the Township advance refunded \$5,225,000 of the 2004 General Obligation Bonds. As a result, the bonds are considered defeased and the liability has been removed from the statement of net position. The reacquisition price of the refunding bonds was less than the carrying amount of the refunded debt and remaining unamortized premium by \$99,151 and, accordingly, that amount is being amortized over the remaining years of the refunded debt. The refunding resulted in a decrease in future debt service cash flows of \$1,409,828 and an economic gain of \$650,901. At December 31, 2016, no balances remain outstanding on the refunded debt as all such bonds have been called.

10. OPERATING LEASES

The Township has lease agreements for four copy machines, one expiring on April 3, 2017, two expiring on August 30, 2017, and one expiring on September 20, 2021. Rent expense totaled \$11,633 for the year ended December 31, 2016. The remaining future commitments are as follows:

Year Ended December 31,	Amount
2017	\$ 8,617
2018	2,915
2019	2,915
2020	2,915
2021	<u>2,105</u>
Total	<u>\$ 19,467</u>

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

11. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended December 31, 2016, the government carried commercial insurance to cover all risks of losses. The Township has had no settled claims from these risks that exceeded its commercial coverage in any of the past three fiscal years.

The general, public safety, building safety department, 911 service, and water/sewer funds of the Township make payments to the medical insurance internal service fund based on rates established to fund estimated actual liabilities. The total claims liability of \$111,716 reported in the fund at December 31, 2016, is based on the requirements that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements. The Township has estimated its ultimate liability based upon estimates of known claims and actuarial based computations of incurred but not reported claims.

Changes in the fund's claims liability amount was:

	2016
Balance at the beginning of year	\$ -
Current year claims and changes in estimates	1,885,472
Claims paid	<u>(1,773,756)</u>
Balance at end of year	<u>\$ 111,716</u>

12. CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by federal and state grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

The government and its component unit, individually or jointly, are the defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the government and component unit's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the government.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

13. PROPERTY TAXES

Property taxes become an enforceable lien on the property as of December 31. Taxes are levied on December 1 and are due in February of the following year. The Township bills and collects its own property taxes along with collecting taxes for various other taxing jurisdictions. Township tax revenues are recognized in the fiscal year following the December 1 levy date. Taxes are considered delinquent on March 1, at which time the applicable property is subject to lien and penalty and interest is assessed.

Assessed values, as established annually by the government, are subject to acceptance by the County and equalized by the State at an estimated 50% of current market value. The taxable value of real and personal property in the Township totaled \$1,800,894,745. The government's general operating tax rate for fiscal year 2016 was 4.1561 mills, with an additional 1.9500 and 0.4855 special-voted mills for public safety and parks, respectively.

The Township received reduced property tax revenues during 2016 as a result of industrial facilities tax exemptions (IFT's).

The IFT's were entered into based upon the Plant Rehabilitation and Industrial Development Districts Act, (known as the Industrial Facilities Exemption), PA 198 of 1974, as amended. IFT's provide a tax incentive to manufacturers to enable renovation and expansion of aging facilities, assist in the building of new facilities, and to promote the establishment of high tech facilities. Properties qualifying for IFT status are taxed at 50% of the millage rate applicable to other real and personal property in the Township. The abatements amounted to 46,000 in reduced Township tax revenues for 2016.

14. PENSION PLAN

General Information About the Plan

Plan Description. The Township participates in the Municipal Employees' Retirement System (MERS) of Michigan, a defined benefit pension plan providing certain retirement, disability and death benefits to plan members and beneficiaries. MERS is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine member Retirement Board. Public Act 427 of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. MERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained by accessing the MERS website at www.mersofmich.com.

Benefits Provided. Pension benefits vary by division/bargaining unit and are calculated as final average compensation (based on a 3 year period) and multipliers ranging from 1.50% to 2.50%. Participants vesting requirements range from 6 to 10 years. Normal retirement age is 60 with early retirement at age 50 or 55 with 25 or 15 years of service, respectively. Member contributions range from 2.00% to 9.06%. The plan is closed to certain union and non-union employees.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Employees Covered by Benefit Terms. At December 31, 2016, plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to but not yet receiving benefits	23
Active employees	136
	<hr/>
Total membership	203
	<hr/> <hr/>

Contributions. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. During the year ended December 31, 2016, the Township's contributions ranged from 5.99% to 21.80% of annual payroll for open divisions. Closed divisions employer contributions ranged from \$169 to \$30,807 per month.

Net Pension Liability. The Township's net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 (rolled forward to December 31, 2016).

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of December 31, 2015 (and rolled forward to December 31, 2016, the measurement date), using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	3.75% in the long-term
Investment rate of return	8.25%, net of investment expense and including inflation

Although no specific price inflation assumptions are needed for the valuation, the 2.5% long-term wage inflation assumption would be consistent with a price inflation of 3%-4%.

Mortality rates used were based on the RP-2014 Group Annuity Mortality Table of a 50% Male and 50% Female blend.

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study conducted in 2008. (The MERS Retirement Board is currently conducting an actuarial experience study covering the period from January 1, 2009, through December 31, 2013.)

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Expected Money-Weighted Rate of Return
Global equity	57.50%	5.02%	2.88%
Global fixed income	20.00%	2.18%	0.44%
Real Assets	12.50%	4.23%	0.53%
Diversifying strategies	10.00%	6.56%	0.65%
	<u>100.00%</u>		
Inflation			3.50%
Administrative expenses netted above			<u>0.25%</u>
Investment rate of return			<u>8.25%</u>

Discount Rate. The discount rate used to measure the total pension liability is 8.25% for 2016. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Changes in Net Pension Liability. The components of the change in the net pension liability are summarized as follows:

	Total Pension Liability (a)	Plan Fiduciary Net Pension (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2015	\$ 29,939,615	\$ 20,240,780	\$ 9,698,835
Changes for the year:			
Service cost	977,110	-	977,110
Interest	2,468,421	-	2,468,421
Difference between expected and actual experience	534,889	-	534,889
Changes in assumptions	1,505,883	-	1,505,883
Employer contributions	-	1,226,767	(1,226,767)
Employee contributions	-	649,802	(649,802)
Net Investment income	-	2,363,526	(2,363,526)
Benefit payments, including refunds of employee contributions	(1,015,819)	(1,015,819)	-
Administrative expense	-	(46,573)	46,573
Other changes	(253,685)	-	(253,685)
Net changes	4,216,799	3,177,703	1,039,096
Balances at December 31, 2016	\$ 34,156,414	\$ 23,418,483	\$ 10,737,931

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 8.25%, as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1% lower (7.25%) or 1% higher (9.25%) than the current rate:

	1% Decrease (7.25%)	Current Discount Rate (8.25%)	1% Increase (9.25%)
Township's net pension liability	\$ 15,805,926	\$ 10,737,931	\$ 6,583,352

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended December 31, 2016, the Township recognized pension expense of \$1,008,250. The Township reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total
Net difference between projected and actual earnings on pension plan investments	\$ 2,979,294	\$ (528,062)	\$ 2,451,232

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

Year Ended December 31,	Amount
2017	\$ 520,952
2018	520,952
2019	520,954
2020	123,080
2021	255,098
Thereafter	510,196
Total	\$ 2,451,232

Payable to the Pension Plan. At December 31, 2016, the Township reported a payable of \$127,804 for the outstanding amount of contributions required for the year ended December 31, 2016.

15. OTHER POSTEMPLOYMENT BENEFITS

Plan Description. The Township participates in the Municipal Employees' Retirement System (MERS) Retirement Health Funding Vehicle, an agent multiple-employer other postemployment benefit plan that provides healthcare benefits to eligible retirees and their beneficiaries. The Plan was adopted and established by the Township Board of Trustees. MERS issues a publicly available financial report that includes financial statements and required supplementary information, which may be obtained by accessing the MERS website at www.mersofmich.com.

Plan Membership. As of January 1, 2015, the date of the latest actuarial valuation, 5 retirees were currently receiving benefits; the Plan has 119 active participants.

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Funding Policy. The contribution requirements of plan members and the Township are established and may be amended by the Township Board of Trustees, subject to applicable labor contracts, although the Township has no obligation to make contributions in advance of when the insurance premiums or benefits are due for payment. In other words, the plan may be financed on a *pay-as-you-go* basis.

Currently, active plan members are not required to contribute to the plan. Plan members receiving benefits are not required to contribute towards their own individual coverage. The Township made contributions to the plan totaling \$414,434.

Funding Progress. For the year ended December 31, 2016, the Township estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of January 1, 2015. Such a valuation computes an annual required contribution (ARC) that represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The current combined ARC is 6.4% of annual covered payroll.

Annual OPEB Cost and Net OPEB Asset. For 2016, the components of the Township's annual OPEB (other postemployment benefit) cost for the year, the amount actually contributed to the Plan, and changes in the Township's net OPEB asset to the Plan were as follows:

Annual required contribution	\$ 450,039
Interest on net OPEB asset	6,650
Adjustment to annual required contribution	4,345
Net OPEB cost	<u>439,044</u>
Contributions made	<u>(414,434)</u>
Change in net OPEB asset	24,610
Net OPEB asset, beginning of year	<u>(412,665)</u>
 Net OPEB asset, end of year	 <u><u>\$ (388,055)</u></u>

The Township's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for the current and two preceding years were as follows:

Three-Year Trend Information				
Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
12/31/2014	\$ 536,909	\$ 738,312	137.5%	\$ (91,726)
12/31/2015	439,044	759,983	173.1%	(412,665)
12/31/2016	439,044	414,434	94.4%	(388,055)

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

Funded Status. The funded status of the Plan as of January 1, 2015, the date of the most recent actuarial valuation, was as follows:

Actuarial accrued liabilities (a)	\$ 10,135,000
Actuarial value of plan assets (b)	<u>6,220,000</u>
Unfunded actuarial accrued liability (a-b)	<u>\$ 3,915,000</u>
Funded ratio (b/a)	61.4%
Covered payroll (c)	\$ 6,988,000
Unfunded actuarial accrued liability as a percentage of covered payroll [(a-b)/c]	56.0%

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

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

Significant methods and assumptions were as follows:

Actuarial valuation date	1/1/2015
Actuarial cost method	Individual entry age
Amortization method	Level percent of payroll open
Remaining amortization period	30 years
Asset valuation method	Market value
Discount rate (investment return)	7.3%
Projected salary increases	4.5%
Healthcare inflation rate	5.0%
Inflation rate	4.5%

PITTSFIELD CHARTER TOWNSHIP

Notes To Financial Statements

16. NET INVESTMENT IN CAPITAL ASSETS

The composition of net investment in capital assets as of December 31, 2016, was as follows:

	Governmental activities	Business-type activities
Capital assets:		
Capital assets not being depreciated	\$ 24,078,168	\$ 686,928
Capital assets being depreciated, net	8,263,047	33,371,020
	<u>32,341,215</u>	<u>34,057,948</u>
Less related debt:		
Bonds payable	-	7,811,080
Installment obligations	600,000	-
Unamortized bond premium	31,309	-
Unamortized refunding loss	(13,153)	-
	<u>618,156</u>	<u>7,811,080</u>
Net investment in capital assets	<u>\$ 31,723,059</u>	<u>\$ 26,246,868</u>

Long-term debt related to special assessments is not included in the calculation for net investment in capital assets since these assets do not belong to the Township.



REQUIRED SUPPLEMENTARY INFORMATION

PITTSFIELD CHARTER TOWNSHIP

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in Net Pension Liability and Related Ratios

	Year Ended December 31,	
	2015	2016
Total pension liability		
Service cost	\$ 903,775	\$ 977,110
Interest	2,288,114	2,468,421
Differences between expected and actual experience	-	534,889
Changes of assumptions	-	1,505,883
Benefit payments, including refunds of employee contributions	(914,391)	(1,015,819)
Other changes	(77,905)	(253,685)
Net change in total pension liability	<u>2,199,593</u>	<u>4,216,799</u>
Total pension liability, beginning of year	<u>27,740,022</u>	<u>29,939,615</u>
Total pension liability, end of year	<u>29,939,615</u>	<u>34,156,414</u>
Plan fiduciary net position		
Employer contributions	992,974	1,226,767
Employee contributions	460,559	649,802
Net investment income (loss)	(313,982)	2,363,526
Benefit payments, including refunds of employee contributions	(914,391)	(1,015,819)
Administrative expense	(44,917)	(46,573)
Net change in plan fiduciary net position	<u>180,243</u>	<u>3,177,703</u>
Plan fiduciary net position, beginning of year	<u>20,060,537</u>	<u>20,240,780</u>
Plan fiduciary net position, end of year	<u>20,240,780</u>	<u>23,418,483</u>
Township's net pension liability	<u>\$ 9,698,835</u>	<u>\$ 10,737,931</u>
Plan fiduciary net position as a percentage of total pension liability	67.6%	68.6%
Covered-employee payroll	\$ 7,708,416	\$ 8,476,189
Township's net pension liability as a percentage of covered-employee payroll	125.8%	126.7%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

PITTSFIELD CHARTER TOWNSHIP

Required Supplementary Information MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of the Net Pension Liability

Fiscal Year Ended December 30,	Total Pension Liability	Plan Net Position	Net Pension Liability	Plan Net Position as Percentage of Total Pension Liability	Covered-Employee Payroll	Net Pension Liability as Percentage of Covered Payroll
2016	\$ 34,156,414	\$ 23,418,483	\$ 10,737,931	68.6%	\$ 8,476,189	126.7%
2015	29,939,615	20,240,780	9,698,835	67.6%	7,708,416	125.8%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

PITTSFIELD CHARTER TOWNSHIP

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Contributions

Fiscal Year Ending December 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as Percentage of Covered-Employee Payroll
2016	\$ 1,226,767	\$ 1,226,767	\$ -	\$ 8,476,189	14.5%
2015	992,974	992,974	-	7,708,416	12.9%

Note: GASB 68 was implemented in fiscal year 2015. This schedule is being built prospectively. Ultimately, 10 years of data will be presented.

Notes to Schedule of Contributions

Valuation Date December 31, 2014 (rolled forward to December 30, 2016)
 Notes Actuarially determined contribution rates are calculated as of December 31, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	27 years
Asset valuation method	Open; 5-year smooth market
Inflation	3.0% to 4.0%
Salary increases	3.75% in the long-term
Investment rate of return	8.25%, net of investment expense and including inflation
Retirement age	Age-based table of rates that are specific to the type of eligibility condition. Last updated for the December 31, 2014 valuation. The next study is scheduled for 2016.
Mortality	1994 Group Annuity Mortality Table of a 50% Male 50% Female blend. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.
Other information	Changes in liability due to differences between actual and expected experience, and changes in assumptions, are recognized in pension expense over the average remaining service lives of all employees.

PITTSFIELD CHARTER TOWNSHIP

Other Postemployment Benefits

Schedule of Funding Progress						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - (b)	Funded Ratio (a / b)	Unfunded AAL (UAAL) (b - a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
1/1/2010	\$ 1,545,277	\$ 8,033,569	19.2%	\$ 6,488,292	\$ 6,465,155	100.4%
1/1/2013	4,109,000	9,437,000	43.5%	5,328,000	6,703,000	79.5%
1/1/2015	6,220,000	10,135,000	61.4%	3,915,000	6,988,000	56.0%

Schedule of Employer Contributions		
Year Ended December 31,	Annual Required Contributions	Percentage Contributed
2014	\$ 534,079	138.2%
2015	450,039	168.9%
2016	450,039	92.1%

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**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

PITTSFIELD CHARTER TOWNSHIP

Combining Balance Sheet Nonmajor Governmental Funds December 31, 2016

	Special Revenue	Debt Service	Capital Projects	Total
Assets				
Cash and cash equivalents	\$ 2,167,851	\$ 106,824	\$ 103,542	\$ 2,378,217
Accounts receivable	507,646	-	28,794	536,440
Special assessments receivable	-	186,411	-	186,411
Due from other funds	11,040	-	-	11,040
Prepaid items	466	-	-	466
Total assets	\$ 2,687,003	\$ 293,235	\$ 132,336	\$ 3,112,574
Liabilities				
Accounts payable	\$ 145,993	\$ -	\$ 45,955	\$ 191,948
Accrued liabilities	3,950	-	-	3,950
Due to other funds	11,491	-	-	11,491
Escrow payable	15,147	-	-	15,147
Total liabilities	176,581	-	45,955	222,536
Deferred inflows of resources				
Unavailable revenue - special assessments	-	186,411	-	186,411
Fund balances				
Nonspendable - prepaid items	466	-	-	466
Restricted:				
General government	260,413	-	-	260,413
Public safety	1,292,382	-	-	1,292,382
Public works	452,471	-	-	452,471
Culture and recreation	504,690	-	-	504,690
Debt service	-	106,824	-	106,824
Committed -				
Capital projects	-	-	86,381	86,381
Total fund balances	2,510,422	106,824	86,381	2,703,627
Total liabilities, deferred inflows of resources and fund balances	\$ 2,687,003	\$ 293,235	\$ 132,336	\$ 3,112,574

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds For the Year Ended December 31, 2016

	Special Revenue	Debt Service	Capital Projects	Total
Revenues				
Taxes and special assessments	\$ 879,656	\$ 26,872	\$ -	\$ 906,528
Licenses and permits	599,242	-	-	599,242
Intergovernmental	4,000	-	-	4,000
Charges for services	1,942,839	-	-	1,942,839
Investment earnings	3,207	133	-	3,340
Other revenues	79,369	-	-	79,369
Total revenues	3,508,313	27,005	-	3,535,318
Expenditures				
Current:				
General government	11,700	-	-	11,700
Public safety	981,620	-	-	981,620
Public works	1,455,601	-	-	1,455,601
Culture and recreation	58,385	-	-	58,385
Debt service:				
Principal	585,000	20,824	-	605,824
Interest and fiscal charges	23,219	3,802	-	27,021
Capital outlay	57,882	-	631,421	689,303
Total expenditures	3,173,407	24,626	631,421	3,829,454
Revenues under expenditures	334,906	2,379	(631,421)	(294,136)
Other financing sources (uses)				
Transfers in	-	-	102,081	102,081
Transfers out	(3,899)	-	(3,595)	(7,494)
Total other financing sources (uses)	(3,899)	-	98,486	94,587
Net change in fund balances	331,007	2,379	(532,935)	(199,549)
Fund balances, beginning of year	2,179,415	104,445	619,316	2,903,176
Fund balances, end of year	\$ 2,510,422	\$ 106,824	\$ 86,381	\$ 2,703,627

PITTSFIELD CHARTER TOWNSHIP

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2016

	Refuse Collection	Tree Mitigation	Building Department	Parks & Recreation Millage
Assets				
Cash and cash equivalents	\$ 225,650	\$ 194,608	\$ 795,273	\$ 496,997
Accounts receivable	366,601	-	13,003	12,255
Due from other funds	1,040	-	-	-
Prepaid items	-	-	311	-
Total assets	\$ 593,291	\$ 194,608	\$ 808,587	\$ 509,252
Liabilities				
Accounts payable	\$ 124,427	\$ -	\$ 13,390	\$ 4,562
Accrued liabilities	-	-	-	-
Due to other funds	1,246	-	245	-
Escrow payable	15,147	-	-	-
Total liabilities	140,820	-	13,635	4,562
Fund balances				
Nonspendable - prepaid items	-	-	311	-
Restricted:				
General government	-	194,608	-	-
Public safety	-	-	794,641	-
Public works	452,471	-	-	-
Culture and recreation	-	-	-	504,690
Total fund balances	452,471	194,608	794,952	504,690
Total liabilities and fund balances	\$ 593,291	\$ 194,608	\$ 808,587	\$ 509,252



E 911 Service	800 MHz Consortium	Sidewalk Reserve	State Street Corridor-TIFA/CIA	Total
\$ 378,997	\$ 35,521	\$ 2,925	\$ 37,880	\$ 2,167,851
90,787	-	25,000	-	507,646
10,000	-	-	-	11,040
103	52	-	-	466
<u>\$ 479,887</u>	<u>\$ 35,573</u>	<u>\$ 27,925</u>	<u>\$ 37,880</u>	<u>\$ 2,687,003</u>
\$ 2,731	\$ 883	\$ -	\$ -	\$ 145,993
3,950	-	-	-	3,950
-	10,000	-	-	11,491
-	-	-	-	15,147
<u>6,681</u>	<u>10,883</u>	<u>-</u>	<u>-</u>	<u>176,581</u>
103	52	-	-	466
-	-	27,925	37,880	260,413
473,103	24,638	-	-	1,292,382
-	-	-	-	452,471
-	-	-	-	504,690
<u>473,206</u>	<u>24,690</u>	<u>27,925</u>	<u>37,880</u>	<u>2,510,422</u>
<u>\$ 479,887</u>	<u>\$ 35,573</u>	<u>\$ 27,925</u>	<u>\$ 37,880</u>	<u>\$ 2,687,003</u>

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

For the Year Ended December 31, 2016

	Refuse Collection	Tree Mitigation	Building Department	Parks & Recreation Millage
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ 857,448
Licenses and permits	-	-	599,242	-
Intergovernmental	-	4,000	-	-
Charges for services	1,496,180	-	-	-
Investment earnings	186	413	1,161	913
Other revenues	-	44,500	-	5,000
Total revenues	1,496,366	48,913	600,403	863,361
Expenditures				
Current:				
General government	-	11,700	-	-
Public safety	-	-	690,201	-
Public works	1,455,601	-	-	-
Culture and recreation	-	-	-	58,385
Debt service:				
Principal	-	-	-	585,000
Interest and fiscal charges	-	-	-	23,219
Capital outlay	-	-	-	57,882
Total expenditures	1,455,601	11,700	690,201	724,486
Revenues over (under) expenditures	40,765	37,213	(89,798)	138,875
Other financing sources (uses)				
Transfers out	-	-	-	(3,899)
Net change in fund balances	40,765	37,213	(89,798)	134,976
Fund balances, beginning of year	411,706	157,395	884,750	369,714
Fund balances, end of year	\$ 452,471	\$ 194,608	\$ 794,952	\$ 504,690



E 911 Service	800 MHz Consortium	Sidewalk Reserve	State Street Corridor-TIFA/CIA	Total
\$ -	\$ -	\$ -	\$ 22,208	\$ 879,656
-	-	-	-	599,242
-	-	-	-	4,000
316,659	130,000	-	-	1,942,839
437	71	-	26	3,207
-	1,944	27,925	-	79,369
<u>317,096</u>	<u>132,015</u>	<u>27,925</u>	<u>22,234</u>	<u>3,508,313</u>
-	-	-	-	11,700
155,086	136,333	-	-	981,620
-	-	-	-	1,455,601
-	-	-	-	58,385
-	-	-	-	585,000
-	-	-	-	23,219
-	-	-	-	57,882
<u>155,086</u>	<u>136,333</u>	<u>-</u>	<u>-</u>	<u>3,173,407</u>
162,010	(4,318)	27,925	22,234	334,906
-	-	-	-	(3,899)
<u>162,010</u>	<u>(4,318)</u>	<u>27,925</u>	<u>22,234</u>	<u>331,007</u>
<u>311,196</u>	<u>29,008</u>	<u>-</u>	<u>15,646</u>	<u>2,179,415</u>
<u>\$ 473,206</u>	<u>\$ 24,690</u>	<u>\$ 27,925</u>	<u>\$ 37,880</u>	<u>\$ 2,510,422</u>

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Refuse Collection
For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	1,497,956	1,497,956	1,496,180	(1,776)
Investment earnings	100	100	186	86
Other revenues	-	-	-	-
Total revenues	1,498,056	1,498,056	1,496,366	(1,690)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,471,155	1,471,155	1,455,601	(15,554)
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	1,471,155	1,471,155	1,455,601	(15,554)
Revenues over (under) expenditures	26,901	26,901	40,765	13,864
Other financing sources (uses)				
Transfers out	-	-	-	-
Net change in fund balance	26,901	26,901	40,765	13,864
Fund balance, beginning of year	411,706	411,706	411,706	-
Fund balance, end of year	\$ 438,607	\$ 438,607	\$ 452,471	\$ 13,864

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Tree Mitigation

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	4,000	4,000
Charges for services	-	-	-	-
Investment earnings	500	500	413	(87)
Other revenues	100,000	100,000	44,500	(55,500)
Total revenues	100,500	100,500	48,913	(51,587)
Expenditures				
Current:				
General government	100,500	100,500	11,700	(88,800)
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	100,500	100,500	11,700	(88,800)
Revenues over (under) expenditures	-	-	37,213	37,213
Other financing sources (uses)				
Transfers out	-	-	-	-
Net change in fund balance	-	-	37,213	37,213
Fund balance, beginning of year	157,395	157,395	157,395	-
Fund balance, end of year	\$ 157,395	\$ 157,395	\$ 194,608	\$ 37,213

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Building Department

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	680,000	680,000	599,242	(80,758)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	1,000	1,000	1,161	161
Other revenues	2,000	2,000	-	(2,000)
Total revenues	683,000	683,000	600,403	(82,597)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	911,370	911,370	690,201	(221,169)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	30,000	30,000	-	(30,000)
Total expenditures	941,370	941,370	690,201	(251,169)
Revenues over (under) expenditures	(258,370)	(258,370)	(89,798)	168,572
Other financing sources (uses)				
Transfers out	-	-	-	-
Net change in fund balance	(258,370)	(258,370)	(89,798)	168,572
Fund balance, beginning of year	884,750	884,750	884,750	-
Fund balance, end of year	\$ 626,380	\$ 626,380	\$ 794,952	\$ 168,572

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Parks and Recreation Millage

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ 849,464	\$ 849,464	\$ 857,448	\$ 7,984
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	1,000	1,000	913	(87)
Other revenues	-	-	5,000	5,000
Total revenues	850,464	850,464	863,361	12,897
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	96,500	101,500	58,385	(43,115)
Debt service:				
Principal	585,000	585,000	585,000	-
Interest and fiscal charges	23,220	23,220	23,219	(1)
Capital outlay	120,000	110,000	57,882	(52,118)
Total expenditures	824,720	819,720	724,486	(95,234)
Revenues over (under) expenditures	25,744	30,744	138,875	108,131
Other financing sources (uses)				
Transfers out	-	(5,000)	(3,899)	(1,101)
Net change in fund balance	25,744	25,744	134,976	107,030
Fund balance, beginning of year	369,714	369,714	369,714	-
Fund balance, end of year	\$ 395,458	\$ 395,458	\$ 504,690	\$ 107,030

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances Budget and Actual - E 911 Service For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	200,000	200,000	316,659	116,659
Investment earnings	1,000	1,000	437	(563)
Other revenues	500	500	-	(500)
Total revenues	201,500	201,500	317,096	115,596
Expenditures				
Current:				
General government	-	-	-	-
Public safety	313,189	313,189	155,086	(158,103)
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	2,000	2,000	-	(2,000)
Total expenditures	315,189	315,189	155,086	(160,103)
Revenues over (under) expenditures	(113,689)	(113,689)	162,010	275,699
Other financing sources (uses)				
Transfers out	-	-	-	-
Net change in fund balance	(113,689)	(113,689)	162,010	275,699
Fund balance, beginning of year	311,196	311,196	311,196	-
Fund balance, end of year	\$ 197,507	\$ 197,507	\$ 473,206	\$ 275,699

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - 800 MHz Consortium

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	60,000	130,000	130,000	-
Investment earnings	10	10	71	61
Other revenues	-	-	1,944	1,944
Total revenues	60,010	130,010	132,015	2,005
Expenditures				
Current:				
General government	-	-	-	-
Public safety	62,200	132,200	136,333	4,133
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	62,200	132,200	136,333	4,133
Revenues over (under) expenditures	(2,190)	(2,190)	(4,318)	(2,128)
Other financing sources (uses)				
Transfers out	-	-	-	-
Net change in fund balance	(2,190)	(2,190)	(4,318)	(2,128)
Fund balance, beginning of year	29,008	29,008	29,008	-
Fund balance, end of year	\$ 26,818	\$ 26,818	\$ 24,690	\$ (2,128)

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - Sidewalk Reserve

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	25	25	-	(25)
Other revenues	25,000	25,000	27,925	2,925
Total revenues	25,025	25,025	27,925	2,900
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	25,000	25,000	-	(25,000)
Total expenditures	25,000	25,000	-	(25,000)
Revenues over (under) expenditures	25	25	27,925	27,900
Other financing sources (uses)				
Transfers out	-	-	-	-
Net change in fund balance	25	25	27,925	27,900
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ 25	\$ 25	\$ 27,925	\$ 27,900

PITTSFIELD CHARTER TOWNSHIP

Schedule of Revenues, Expenditures and Changes in Fund Balances

Budget and Actual - State Street Corridor-TIFA/CIA

For the Year Ended December 31, 2016

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes and special assessments	\$ 57,765	\$ 57,765	\$ 22,208	\$ (35,557)
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	26	26
Other revenues	-	-	-	-
Total revenues	57,765	57,765	22,234	(35,531)
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Capital outlay	15,000	15,000	-	(15,000)
Total expenditures	15,000	15,000	-	(15,000)
Revenues over (under) expenditures	42,765	42,765	22,234	(20,531)
Other financing sources (uses)				
Transfers out	-	-	-	-
Net change in fund balance	42,765	42,765	22,234	(20,531)
Fund balance, beginning of year	15,646	15,646	15,646	-
Fund balance, end of year	\$ 58,411	\$ 58,411	\$ 37,880	\$ (20,531)

PITTSFIELD CHARTER TOWNSHIP

Combining Balance Sheet

Nonmajor Debt Service Funds

December 31, 2016

	Mallets Creek	State & Textile Road	Total
Assets			
Cash and cash equivalents	\$ 56,067	\$ 50,757	\$ 106,824
Special assessments receivable	186,411	-	186,411
Total assets	<u>\$ 242,478</u>	<u>\$ 50,757</u>	<u>\$ 293,235</u>
Deferred inflows of resources			
Unavailable revenue - special assessments	\$ 186,411	\$ -	\$ 186,411
Fund balances			
Restricted for debt service	<u>56,067</u>	<u>50,757</u>	<u>106,824</u>
Total deferred inflows of resources and fund balances	<u>\$ 242,478</u>	<u>\$ 50,757</u>	<u>\$ 293,235</u>

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Debt Service Funds For the Year Ended December 31, 2016

	Mallets Creek	State & Textile Road	Total
Revenues			
Taxes and special assessments	\$ 26,872	\$ -	\$ 26,872
Investment earnings	68	65	133
Total revenues	<u>26,940</u>	<u>65</u>	<u>27,005</u>
Expenditures			
Debt service:			
Principal	20,824	-	20,824
Interest and fiscal charges	3,802	-	3,802
Total expenditures	<u>24,626</u>	<u>-</u>	<u>24,626</u>
Net change in fund balances	2,314	65	2,379
Fund balances, beginning of year	<u>53,753</u>	<u>50,692</u>	<u>104,445</u>
Fund balances, end of year	<u><u>\$ 56,067</u></u>	<u><u>\$ 50,757</u></u>	<u><u>\$ 106,824</u></u>

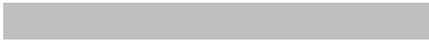
PITTSFIELD CHARTER TOWNSHIP

Combining Balance Sheet

Nonmajor Capital Projects Fund

December 31, 2016

	Township Greenways	Michigan Pathway	Woolley Park Improvement
Assets			
Cash	\$ 53,997	\$ -	\$ -
Accounts receivable	28,794	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 82,791	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Fund balance			
Committed	82,791	-	-
	<hr/>	<hr/>	<hr/>
Total liabilities and fund balance	\$ 82,791	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



AOL Pedestrian Crossing	Total
\$ 49,545	\$ 103,542
-	28,794
<u>\$ 49,545</u>	<u>\$ 132,336</u>
\$ 45,955	\$ 45,955
3,590	86,381
<u>\$ 49,545</u>	<u>\$ 132,336</u>

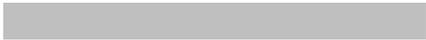
PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Revenues, Expenditures and Change in Fund Balance

Nonmajor Capital Projects Fund

For the Year Ended December 31, 2016

	Township Greenways	Michigan Pathway	Woolley Park Improvement
Expenditures			
Capital outlay	\$ 59,010	\$ 196,879	\$ 3,899
Other financing sources (uses)			
Transfers in	33,182	-	3,899
Transfers out	-	(3,595)	-
Total other financing sources (uses)	<u>33,182</u>	<u>(3,595)</u>	<u>3,899</u>
Net change in fund balance	(25,828)	(200,474)	-
Fund balance, beginning of year	<u>108,619</u>	<u>200,474</u>	<u>-</u>
Fund balance, end of year	<u>\$ 82,791</u>	<u>\$ -</u>	<u>\$ -</u>



AOL Pedestrian Crossing	Total
<u>\$ 371,633</u>	<u>\$ 631,421</u>
65,000	102,081
<u>-</u>	<u>(3,595)</u>
<u>65,000</u>	<u>98,486</u>
(306,633)	(532,935)
<u>310,223</u>	<u>619,316</u>
<u><u>\$ 3,590</u></u>	<u><u>\$ 86,381</u></u>

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Fiduciary Assets and Liabilities

Agency Funds
December 31, 2016

	Tax Collection Fund	Performance Bonds Fund	Imprest Payroll Fund
Assets			
Cash and cash equivalents	\$ 11,837,849	\$ 872,454	\$ 27,299
Due from other governments	-	-	-
Total assets	<u>\$ 11,837,849</u>	<u>\$ 872,454</u>	<u>\$ 27,299</u>
Liabilities			
Undistributed receipts	<u>\$ 11,837,849</u>	<u>\$ 872,454</u>	<u>\$ 27,299</u>



Trust and Agency Fund	World Services Fund	Total
\$ 30,184 172	\$ 6,645 -	\$ 12,774,431 172
<u>\$ 30,356</u>	<u>\$ 6,645</u>	<u>\$ 12,774,603</u>
<u>\$ 30,356</u>	<u>\$ 6,645</u>	<u>\$ 12,774,603</u>

PITTSFIELD CHARTER TOWNSHIP

Combining Statement of Changes in Fiduciary Assets and Liabilities

Agency Funds

For the Year Ended December 31, 2016

	Balance January 1, 2016	Additions	Deletions	Balance December 31, 2016
<i>Tax Collection Fund</i>				
Assets				
Cash and cash equivalents	\$ 11,694,832	\$ 79,006,464	\$ 78,863,447	\$ 11,837,849
Liabilities				
Undistributed receipts	\$ 11,694,832	\$ 79,006,464	\$ 78,863,447	\$ 11,837,849
<i>Performance Bonds Fund</i>				
Assets				
Cash and cash equivalents	\$ 495,546	\$ 479,308	\$ 102,400	\$ 872,454
Liabilities				
Undistributed receipts	\$ 495,546	\$ 479,308	\$ 102,400	\$ 872,454
<i>Imprest Payroll Fund</i>				
Assets				
Cash and cash equivalents	\$ 24,960	\$ 2,444	\$ 105	\$ 27,299
Liabilities				
Undistributed receipts	\$ 24,960	\$ 2,444	\$ 105	\$ 27,299
<i>Trust and Agency Fund</i>				
Assets				
Cash and cash equivalents	\$ 24,166	\$ 347,814	\$ 341,796	\$ 30,184
Due from other governments	-	172	-	172
Total assets	\$ 24,166	\$ 347,986	\$ 341,796	\$ 30,356
Liabilities				
Undistributed receipts	\$ 24,166	\$ 347,986	\$ 341,796	\$ 30,356
<i>World Services Fund</i>				
Assets				
Cash and cash equivalents	\$ 6,645	\$ -	\$ -	\$ 6,645
Liabilities				
Undistributed receipts	\$ 6,645	\$ -	\$ -	\$ 6,645
Totals				
Assets				
Cash and cash equivalents	\$ 12,246,149	\$ 79,836,030	\$ 79,307,748	\$ 12,774,431
Due from other governments	-	172	-	172
Total assets	\$ 12,246,149	\$ 79,836,202	\$ 79,307,748	\$ 12,774,603
Liabilities				
Undistributed receipts	\$ 12,246,149	\$ 79,836,202	\$ 79,307,748	\$ 12,774,603

STATISTICAL SECTION

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PITTSFIELD CHARTER TOWNSHIP

Statistical Section Table of Contents

This part of the Pittsfield Charter Township's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Township's overall financial health.

		<u>Page</u>
Financial Trends	These schedules contain trend information to help the reader understand how the Township's financial performance and well-being have changed over time.	102-113
Revenue Capacity	These schedules contain information to help the reader assess the Township's most significant local revenue source, the property tax.	114-119
Debt Capacity	These schedules present information to help the reader assess the affordability of the Township's current levels of outstanding debt and the Township's ability to issue additional debt in the future.	120-124
Demographic and Economic Information	These schedules offer demographic and economic indicators to help the reader understand the environment within which the Township's financial activities take place.	125-133

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year.

PITTSFIELD CHARTER TOWNSHIP

Net Position by Component

Last Ten Years

(Accrual Basis of Accounting)

	2007	2008	2009	2010	2011
Governmental activities					
Net investment in capital assets	\$ 21,783,060	\$ 22,189,818	\$ 21,660,473	\$ 25,132,342	\$ 26,397,690
Restricted	1,308,767	1,263,137	1,111,309	1,032,121	8,693,577
Unrestricted (deficit)	11,902,580	13,279,763	15,309,961	12,253,510	4,136,827
Total net position	\$ 34,994,407	\$ 36,732,718	\$ 38,081,743	\$ 38,417,973	\$ 39,228,094
Business-type activities					
Net investment in capital assets	\$ 22,315,706	\$ 23,149,275	\$ 23,372,211	\$ 25,643,948	\$ 26,018,663
Unrestricted	11,248,742	10,125,602	9,889,282	10,460,246	9,337,710
Total net position	\$ 33,564,448	\$ 33,274,877	\$ 33,261,493	\$ 36,104,194	\$ 35,356,373
Total primary government					
Net investment in capital assets	\$ 44,098,766	\$ 45,339,093	\$ 45,032,684	\$ 50,776,290	\$ 52,416,353
Restricted	1,308,767	1,263,137	1,111,309	1,032,121	1,008,374
Unrestricted	23,151,322	23,405,365	25,199,243	22,713,756	21,159,740
Total net position	\$ 68,558,855	\$ 70,007,595	\$ 71,343,236	\$ 74,522,167	\$ 74,584,467

[1] GASB Statement No. 68 adopted; prior years are not restated.

Source: Pittsfield Charter Township Finance Department

Schedule 1
Unaudited

2012	2013	2014	[1] 2015	2016
\$ 27,933,571	\$ 28,568,888	\$ 28,591,948	\$ 29,339,544	\$ 31,723,059
6,458,014	5,228,038	5,483,842	5,522,883	4,493,097
4,385,932	4,955,360	5,249,141	(2,428,164)	(2,515,412)
<u>\$ 38,777,517</u>	<u>\$ 38,752,286</u>	<u>\$ 39,324,931</u>	<u>\$ 32,434,263</u>	<u>\$ 33,700,744</u>
\$ 25,980,446	\$ 25,944,485	\$ 25,681,148	\$ 25,287,945	\$ 26,246,868
8,530,740	9,899,374	10,473,159	10,723,528	10,470,598
<u>\$ 34,511,186</u>	<u>\$ 35,843,859</u>	<u>\$ 36,154,307</u>	<u>\$ 36,011,473</u>	<u>\$ 36,717,466</u>
\$ 53,914,017	\$ 54,513,373	\$ 54,273,096	\$ 54,627,489	\$ 57,969,927
1,228,596	1,303,303	5,483,842	5,522,883	4,493,097
18,146,090	18,779,469	15,722,300	8,295,364	7,955,186
<u>\$ 73,288,703</u>	<u>\$ 74,596,145</u>	<u>\$ 75,479,238</u>	<u>\$ 68,445,736</u>	<u>\$ 70,418,210</u>

PITTSFIELD CHARTER TOWNSHIP

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2007	2008	2009	2010
Expenses				
Governmental activities:				
General government	\$ 3,704,845	\$ 4,059,630	\$ 2,332,030	\$ 4,078,120
Public safety	7,674,377	7,829,666	8,110,750	8,551,293
Public works	1,903,279	2,030,837	1,934,371	2,007,627
Planning and zoning	360,737	370,600	366,557	290,955
Parks and recreation	717,334	1,053,631	2,887,250	1,169,157
Interest on long-term debt	429,738	384,683	544,989	311,110
Subtotal governmental activities	14,790,310	15,729,047	16,175,947	16,408,262
Business-type activities -				
Water and sewer	9,530,617	9,627,408	9,253,922	9,793,912
Total expenses	24,320,927	25,356,455	25,429,869	26,202,174
Program revenues				
Governmental activities:				
Charges for services:				
General government	2,753,611	2,625,317	2,709,575	2,968,165
Public safety	678,607	724,694	650,619	900,443
Public works	260,523	264,271	256,560	288,061
Planning and zoning	-	-	-	-
Culture and recreation	172,175	166,713	180,560	235,157
Operating grants and contributions	319,314	292,966	336,912	612,133
Capital grants and contributions	1,248,278	1,159,037	430,468	369,128
Subtotal governmental activities	5,432,508	5,232,998	4,564,694	5,373,087
Business-type activities:				
Charges for services	9,314,032	8,737,990	8,552,060	9,334,315
Capital grants and contributions	293,706	337,092	110,088	3,290,454
Subtotal business-type activities	9,607,738	9,075,082	8,662,148	12,624,769
Total program revenues	15,040,246	14,308,080	13,226,842	17,997,856
Net (expense)/revenue				
Governmental activities	(9,357,802)	(10,496,049)	(11,611,253)	(11,035,175)
Business-type activities	77,121	(552,326)	(591,774)	2,830,857
Total net expense	(9,280,681)	(11,048,375)	(12,203,027)	(8,204,318)

Schedule 2
Unaudited

	2011	2012	2013	2014	2015	2016
\$	3,812,930	\$ 3,062,073	\$ 3,354,770	\$ 4,436,503	\$ 4,991,228	\$ 1,866,037
	9,067,580	9,539,187	10,648,372	10,142,446	10,827,667	11,105,474
	2,130,785	2,704,712	2,345,450	2,897,197	2,935,584	3,682,229
	278,881	450,033	496,898	571,306	580,313	679,520
	1,505,128	1,539,044	1,013,722	1,020,879	1,040,377	1,215,857
	201,180	23,829	173,350	137,072	113,348	121,904
	<u>16,996,484</u>	<u>17,318,878</u>	<u>18,032,562</u>	<u>19,205,403</u>	<u>20,488,517</u>	<u>18,671,021</u>
	<u>10,577,971</u>	<u>12,301,239</u>	<u>10,668,630</u>	<u>11,322,705</u>	<u>11,714,090</u>	<u>12,979,953</u>
	<u>27,574,455</u>	<u>29,620,117</u>	<u>28,701,192</u>	<u>30,528,108</u>	<u>32,202,607</u>	<u>31,650,974</u>
	3,901,421	2,847,185	3,395,348	3,598,373	3,555,319	3,544,774
	863,627	1,152,975	1,175,576	1,195,130	1,226,894	1,437,775
	361,037	476,125	350,302	351,817	345,507	323,379
	-	19,755	22,350	42,243	36,380	65,437
	249,137	263,295	280,129	244,734	292,818	273,469
	486,388	576,870	594,970	943,292	159,059	166,295
	369,859	295,353	257,855	178,659	1,001,700	27,601
	<u>6,231,469</u>	<u>5,631,558</u>	<u>6,076,530</u>	<u>6,554,248</u>	<u>6,617,677</u>	<u>5,838,730</u>
	9,653,203	11,446,602	10,712,639	10,897,820	11,639,920	13,257,931
	160,703	74,840	611,530	413,541	125,076	169,968
	<u>9,813,906</u>	<u>11,521,442</u>	<u>11,324,169</u>	<u>11,311,361</u>	<u>11,764,996</u>	<u>13,427,899</u>
	<u>16,045,375</u>	<u>17,153,000</u>	<u>17,400,699</u>	<u>17,865,609</u>	<u>18,382,673</u>	<u>19,266,629</u>
	(10,765,015)	(11,687,320)	(11,956,032)	(12,651,155)	(13,870,840)	(12,832,291)
	(764,065)	(779,797)	655,539	(11,344)	50,906	447,946
	<u>(11,529,080)</u>	<u>(12,467,117)</u>	<u>(11,300,493)</u>	<u>(12,662,499)</u>	<u>(13,819,934)</u>	<u>(12,384,345)</u>

continued...

PITTSFIELD CHARTER TOWNSHIP

Changes in Net Position

Last Ten Years

(Accrual Basis of Accounting)

	2007	2008	2009	2010
General revenues				
Governmental activities:				
Property taxes	\$ 9,040,019	\$ 9,532,657	\$ 8,991,812	\$ 9,452,278
State shared revenues	2,113,251	2,099,893	1,863,410	1,893,059
Unrestricted investment earnings	1,215,508	601,810	79,205	26,068
Gain on sale of capital assets	-	-	-	-
Transfers	-	-	-	-
Subtotal governmental activities	<u>12,368,778</u>	<u>12,234,360</u>	<u>10,934,427</u>	<u>11,371,405</u>
Business-type activities:				
Unrestricted investment earnings	611,868	262,755	19,051	11,844
Gain on sale of capital assets	-	-	-	-
Transfers	-	-	-	-
Subtotal business-type activities	<u>611,868</u>	<u>262,755</u>	<u>19,051</u>	<u>11,844</u>
Total general revenues	<u>12,980,646</u>	<u>12,497,115</u>	<u>10,953,478</u>	<u>11,383,249</u>
Change in net position				
Governmental activities	3,010,976	1,738,311	(676,826)	336,230
Business-type activities	<u>688,989</u>	<u>(289,571)</u>	<u>(572,723)</u>	<u>2,842,701</u>
Total change in net position	<u>\$ 3,699,965</u>	<u>\$ 1,448,740</u>	<u>\$ (1,249,549)</u>	<u>\$ 3,178,931</u>

Source: Pittsfield Charter Township Finance Department

Schedule 2
Unaudited

2011	2012	2013	2014	2015	2016
\$ 8,999,710	\$ 8,764,881	\$ 9,987,401	\$ 10,806,241	\$ 10,920,470	\$ 11,516,766
2,553,734	2,511,761	2,581,031	2,661,470	2,707,778	2,739,040
21,692	11,948	25,035	51,585	52,729	61,348
-	-	-	-	21,100	11,618
-	21,561	(662,666)	(295,496)	(230,000)	(230,000)
<u>11,575,136</u>	<u>11,310,151</u>	<u>11,930,801</u>	<u>13,223,800</u>	<u>13,472,077</u>	<u>14,098,772</u>
10,037	6,226	14,468	26,296	27,997	28,047
6,207	1,245	-	-	17,120	-
-	(21,561)	662,666	295,496	230,000	230,000
<u>16,244</u>	<u>(14,090)</u>	<u>677,134</u>	<u>321,792</u>	<u>275,117</u>	<u>258,047</u>
<u>11,591,380</u>	<u>11,296,061</u>	<u>12,607,935</u>	<u>13,545,592</u>	<u>13,747,194</u>	<u>14,356,819</u>
810,121	(377,169)	(25,231)	572,645	(398,763)	1,266,481
(747,821)	(793,887)	1,332,673	310,448	326,023	705,993
<u>\$ 62,300</u>	<u>\$ (1,171,056)</u>	<u>\$ 1,307,442</u>	<u>\$ 883,093</u>	<u>\$ (72,740)</u>	<u>\$ 1,972,474</u>

concluded.

PITTSFIELD CHARTER TOWNSHIP

Fund Balances - Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010
General Fund				
Nonspendable				
Restricted				
Committed				
Unassigned				
Reserved	\$ 42,878	\$ 39,773	\$ 34,159	\$ 9,853
Unreserved	4,758,618	4,531,325	4,243,052	4,340,077
Total general fund	\$ 4,801,496	\$ 4,571,098	\$ 4,277,211	\$ 4,349,930
All Other Governmental Funds				
Nonspendable				
Restricted				
Committed				
Reserved	\$ 1,265,889	\$ 1,223,364	\$ 373,239	\$ 4,752
Unreserved, reported in:				
Special revenue funds	8,174,162	9,786,982	9,091,852	8,737,370
Debt service funds	-	-	1,062,490	995,102
Capital project funds	-	-	41,714	37,019
Total all other governmental funds	\$ 9,440,051	\$ 11,010,346	\$ 10,569,295	\$ 9,774,243

[1] GASB No. 54 adopted in 2011.

Source: Pittsfield Charter Township Finance Department

Schedule 3
Unaudited

[1] 2011	2012	2013	2014	2015	2016
\$ 6,591	\$ 54,243	\$ 22,288	\$ 63,572	\$ 8,244	\$ 16,446
1,076,932	1,080,154	1,047,218	1,060,350	1,071,963	127,432
245,000	300,000	985,000	950,000	-	650,000
4,957,687	5,138,749	5,245,990	5,267,352	5,107,325	3,841,454
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 6,286,210</u>	<u>\$ 6,573,146</u>	<u>\$ 7,300,496</u>	<u>\$ 7,341,274</u>	<u>\$ 6,187,532</u>	<u>\$ 4,635,332</u>
\$ 479	\$ 92,676	\$ 8,569	\$ 100,119	\$ 20,027	\$ 15,441
7,598,645	5,377,860	4,180,820	4,423,492	4,450,920	4,365,665
19,839	-	28,190	184,887	619,316	427,187
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 7,618,963</u>	<u>\$ 5,470,536</u>	<u>\$ 4,217,579</u>	<u>\$ 4,708,498</u>	<u>\$ 5,090,263</u>	<u>\$ 4,808,293</u>

PITTSFIELD CHARTER TOWNSHIP

Changes in Fund Balances - Governmental Funds

Last Ten Years

(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010
Revenues				
Taxes and special assessments	\$ 9,539,947	\$ 9,987,080	\$ 9,955,367	\$ 10,109,464
Licenses and permits	484,164	443,173	400,372	426,274
Intergovernmental	2,180,513	2,766,545	1,955,297	2,364,884
Charges for services	2,035,960	2,157,958	2,472,761	2,773,534
Fines and forfeitures	136,941	99,726	91,569	100,299
Franchise fees	398,908	412,165	442,812	483,740
Investment earnings	1,215,508	601,810	79,205	26,068
Donations	-	-	152,500	1,000
Other revenues	1,809,345	998,901	379,706	611,307
Total revenues	17,801,286	17,467,358	15,929,589	16,896,570
Expenditures				
General government	1,928,139	1,963,345	2,106,033	2,434,215
Public safety	7,100,908	7,250,367	7,325,475	8,449,082
Public works	1,453,941	1,602,267	1,588,487	1,588,022
Planning and zoning	360,254	364,286	361,169	287,868
Culture and recreation	664,270	973,780	2,820,554	1,127,171
Other unallocated	1,655,149	2,015,332	-	1,178,893
Debt service:				
Principal	896,585	1,198,802	1,323,801	1,127,534
Interest and other charges	429,738	384,683	337,025	346,477
Capital outlay	6,510,640	374,599	801,983	1,167,780
Total expenditures	20,999,624	16,127,461	16,664,527	17,707,042
Revenues over (under) expenditures	(3,198,338)	1,339,897	(734,938)	(810,472)
Other financing sources (uses)				
Issuance of debt	594,433	-	-	3,735,000
Premium on debt	-	-	-	15,192
Payments to escrow agent	-	-	-	(3,662,053)
Transfers in	17,012	100,965	56,108	221,545
Transfers out	(17,012)	(100,965)	(56,108)	(221,545)
Total other financing sources (uses)	594,433	-	-	88,139
Net change in fund balance	\$ (2,603,905)	\$ 1,339,897	\$ (734,938)	\$ (722,333)
Debt services as a percentage of noncapital expenditures	6.82%	10.42%	10.60%	8.88%

Source: Pittsfield Charter Township Finance Department

Schedule 4
Unaudited

	2011	2012	2013	2014	2015	2016
\$	9,838,106	\$ 9,407,420	\$ 10,732,225	\$ 11,190,558	\$ 11,372,476	\$ 11,753,664
	639,248	550,757	867,021	1,001,339	842,851	767,172
	2,929,228	2,925,226	3,000,110	3,066,993	2,818,791	2,816,250
	3,499,837	2,840,862	2,963,635	3,002,764	3,148,082	3,359,736
	107,786	115,501	160,140	160,253	131,057	119,656
	499,731	514,309	519,593	544,575	570,869	581,539
	12,049	9,828	22,146	51,585	52,729	61,348
	-	24,351	29,666	19,822	6,400	9,707
	633,799	836,267	824,558	1,220,209	799,694	876,446
	<u>18,159,784</u>	<u>17,224,521</u>	<u>19,119,094</u>	<u>20,258,098</u>	<u>19,742,949</u>	<u>20,345,518</u>
	2,198,339	2,657,052	2,859,147	2,795,747	3,129,331	3,207,498
	8,802,945	9,073,259	9,437,128	9,583,519	10,020,995	10,291,358
	1,771,989	2,463,230	2,123,037	2,676,387	2,768,533	3,560,605
	277,006	433,127	475,587	544,518	543,822	649,780
	1,069,192	1,074,929	949,886	932,448	988,230	1,111,672
	1,182,084	670,459	598,028	446,142	333,469	319,491
	752,531	867,532	877,532	804,878	714,878	675,824
	194,838	213,773	172,605	134,648	105,930	82,960
	2,129,860	1,654,212	1,489,085	1,512,618	1,679,738	1,085,500
	<u>18,378,784</u>	<u>19,107,573</u>	<u>18,982,035</u>	<u>19,430,905</u>	<u>20,284,926</u>	<u>20,984,688</u>
	<u>(219,000)</u>	<u>(1,883,052)</u>	<u>137,059</u>	<u>827,193</u>	<u>(541,977)</u>	<u>(639,170)</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	1,336,315	5,171,859	4,983,013	5,500,498	6,941,019	5,668,781
	<u>(1,336,315)</u>	<u>(5,150,298)</u>	<u>(5,645,679)</u>	<u>(5,795,994)</u>	<u>(7,171,019)</u>	<u>(5,898,781)</u>
	-	21,561	(662,666)	(295,496)	(230,000)	(230,000)
\$	<u>(219,000)</u>	<u>\$ (1,861,491)</u>	<u>\$ (525,607)</u>	<u>\$ 531,697</u>	<u>\$ (771,977)</u>	<u>\$ (869,170)</u>
	<u>5.49%</u>	<u>6.33%</u>	<u>5.92%</u>	<u>4.94%</u>	<u>4.28%</u>	<u>4.20%</u>

PITTSFIELD CHARTER TOWNSHIP

Changes in Fund Balances - General Fund

Last Ten Years

(Modified Accrual Basis of Accounting)

	2007	2008	2009	2010
Revenues				
Property taxes	\$ 6,471,030	\$ 6,824,545	\$ 6,825,336	\$ 7,052,399
Licenses and permits	102,889	59,340	112,332	66,448
Intergovernmental	2,180,513	2,161,456	1,913,937	2,258,849
Charges for services	1,088,913	1,169,029	1,195,715	1,406,216
Fines and forfeitures	136,941	99,726	91,569	100,299
Franchise fees	398,908	412,165	442,812	483,740
Investment earnings	798,583	375,038	59,774	13,333
Donations	-	-	152,500	1,000
Other revenues	1,530,691	687,236	290,457	488,343
Total revenues	12,708,468	11,788,535	11,084,432	11,870,627
Expenditures				
General government	1,928,139	1,963,345	2,079,990	2,403,165
Public safety	5,958,382	6,053,564	5,570,177	5,786,344
Public works	477,685	581,332	550,855	551,552
Planning and zoning	360,254	364,286	361,169	287,868
Culture and recreation	631,041	857,532	843,704	971,112
Other unallocated	1,467,869	1,376,346	1,416,852	1,178,893
Debt service	298,614	605,761	-	-
Capital outlay	6,202,818	161,357	500,074	412,429
Total expenditures	17,324,802	11,963,523	11,322,821	11,591,363
Revenues over (under) expenditures	(4,616,334)	(174,988)	(238,389)	279,264
Other financing sources (uses)				
Loan proceeds	594,433	-	-	-
Transfers in	-	-	305	-
Transfers out	(17,012)	(55,410)	(55,803)	(206,545)
Total other financing sources (uses)	577,421	(55,410)	(55,498)	(206,545)
Net change in fund balance	\$ (4,038,913)	\$ (230,398)	\$ (293,887)	\$ 72,719

Source: Pittsfield Charter Township Finance Department

Schedule 5
Unaudited

	2011	2012	2013	2014	2015	2016
\$	6,847,597	\$ 6,556,789	\$ 6,413,007	\$ 6,914,364	\$ 7,045,243	\$ 7,358,916
	135,084	86,145	117,006	89,365	108,740	132,753
	2,783,910	2,673,668	2,725,466	2,735,937	2,733,084	2,775,551
	1,961,966	1,435,782	1,332,844	1,320,181	1,374,995	1,395,045
	107,786	1,200	2,350	3,300	1,550	1,800
	490,088	512,189	516,704	544,575	570,869	581,539
	12,049	7,100	17,060	38,080	41,022	48,916
	-	24,106	29,666	6,850	6,400	5,000
	487,648	506,132	517,542	492,917	602,488	614,102
	<u>12,826,128</u>	<u>11,803,111</u>	<u>11,671,645</u>	<u>12,145,569</u>	<u>12,484,391</u>	<u>12,913,622</u>
	2,182,209	2,650,810	2,846,263	2,795,747	3,061,592	3,195,798
	4,984,788	138,685	108,353	116,585	165,884	112,145
	647,308	1,243,107	849,836	1,336,487	1,336,654	2,105,004
	277,006	433,127	475,587	544,518	543,822	649,780
	1,003,494	1,017,255	939,392	891,966	951,687	1,053,287
	1,182,084	670,459	598,028	446,142	333,469	319,491
	-	-	-	-	-	-
	247,594	436,786	426,598	345,845	151,727	177,625
	<u>10,524,483</u>	<u>6,590,229</u>	<u>6,244,057</u>	<u>6,477,290</u>	<u>6,544,835</u>	<u>7,613,130</u>
	<u>2,301,645</u>	<u>5,212,882</u>	<u>5,427,588</u>	<u>5,668,279</u>	<u>5,939,556</u>	<u>5,300,492</u>
	-	-	-	-	-	-
	-	112,176	193,651	61,824	-	3,595
	<u>(1,330,365)</u>	<u>(5,038,122)</u>	<u>(4,893,889)</u>	<u>(5,689,325)</u>	<u>(7,093,298)</u>	<u>(5,891,287)</u>
	<u>(1,330,365)</u>	<u>(4,925,946)</u>	<u>(4,700,238)</u>	<u>(5,627,501)</u>	<u>(7,093,298)</u>	<u>(5,887,692)</u>
\$	<u>971,280</u>	<u>\$ 286,936</u>	<u>\$ 727,350</u>	<u>\$ 40,778</u>	<u>\$ (1,153,742)</u>	<u>\$ (587,200)</u>

PITTSFIELD CHARTER TOWNSHIP

Taxable and Estimated Actual Value of Property

Last Ten Years

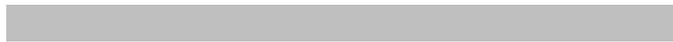
As of Dec. 31,	FYE Dec. 31,	Real Property (1)		Personal Property (1)	
		Taxable Value	Estimated Actual Value	Taxable Value	Estimated Actual Value
2015	2016	\$ 1,685,245,245	\$ 3,370,490,490	\$ 115,649,500	\$ 231,299,000
2014	2015	1,630,269,442	3,260,538,884	119,400,002	238,800,004
2013	2014	1,574,701,371	3,149,402,742	116,147,300	232,294,600
2012	2013	1,534,854,820	3,069,709,640	122,153,900	244,307,800
2011	2012	1,529,357,932	3,058,715,864	122,398,500	244,797,000
2010	2011	1,558,976,815	3,117,953,630	123,020,600	246,041,200
2009	2010	1,604,821,156	3,209,642,312	122,029,200	244,058,400
2008	2009	1,653,147,342	3,306,294,684	127,555,000	255,110,000
2007	2008	1,694,059,053	3,388,118,106	127,730,900	255,461,800
2006	2007	1,711,715,683	3,423,431,366	120,334,500	240,669,000

(1) Does not include properties subject to Industrial Facility Tax exemptions.

(2) Per \$1,000 of taxable value.

Source: Pittsfield Charter Township Assessing Department

Schedule 6
Unaudited



Total		(2) Total
Taxable Value	Estimated Actual Value	Direct Tax Rate
\$ 1,800,894,745	\$ 3,601,789,490	6.59160
1,749,669,444	3,499,338,888	6.59160
1,690,848,671	3,381,697,342	6.59160
1,657,008,720	3,094,140,420	6.59160
1,651,756,432	3,083,195,564	6.31130
1,681,997,415	3,363,994,830	5.35540
1,726,850,356	3,453,700,712	5.35540
1,780,702,342	3,561,404,684	5.35540
1,821,789,953	3,643,579,906	5.15000
1,832,050,183	3,664,100,366	5.19500

PITTSFIELD CHARTER TOWNSHIP

Direct and Overlapping Property Tax Rates

Last Ten Years

(rate per \$1,000 of taxable value)

Fiscal Year Ended December 31,	Township Total Direct Rate	Ann Arbor Public Schools	Milan Public Schools	Saline Public Schools	State Education Tax	Washtenaw Community College
2016	6.5479	25.5406	30.9694	26.8452	5.4286	3.4360
2015	6.5916	21.4168	30.9748	25.8500	6.0000	3.9745
2014	6.5916	21.4500	27.3148	25.8500	6.0000	3.4576
2013	6.5916	21.4500	26.0148	25.8500	6.0000	3.4576
2012	6.3113	21.4500	26.9148	25.8500	6.0000	3.6376
2011	5.3554	21.1497	26.0148	25.8500	6.0000	3.7176
2010	5.3554	25.6570	26.0148	25.8500	6.0000	3.6856
2009	5.3554	25.4081	26.0148	25.8500	6.0000	3.6856
2008	5.1500	25.5152	26.0148	25.8311	6.0000	3.6856
2007	5.1950	25.9559	26.0148	25.8311	6.0000	3.6956

Components of Total Direct Rate

	Special Voted			Total
	Operating	Public Safety	Parks	
2016	4.1561	1.9500	0.4855	6.5916
2015	4.1561	1.9500	0.4855	6.5916
2014	4.1561	1.9500	0.4855	6.5916
2013	4.1561	1.9500	0.4855	6.5916
2012	3.8758	1.9500	0.4855	6.3113
2011	3.8758	0.9941	0.4855	5.3554
2010	3.8758	0.9941	0.4855	5.3554
2009	3.8758	0.9941	0.4855	5.3554
2008	3.6704	0.9941	0.4855	5.1500
2007	3.7154	0.9941	0.4855	5.1950

Source: Pittsfield Charter Township Treasurer's Department



Washtenaw County	Washtenaw Intermediate School District	Ann Arbor District Library	Saline District Library	Total Homestead	Total Non-Homestead
5.4286	5.4509	1.9000	1.3753	94.9225	112.9225
5.4622	3.9745	1.6500	1.1830	89.0774	107.0774
6.0692	3.9745	1.5500	1.1830	85.4407	103.4407
5.7801	3.9745	1.5500	1.1830	83.8516	101.8516
5.7654	3.9745	1.5500	1.1830	84.6366	102.6366
5.7518	3.9745	1.5500	1.3164	82.6802	100.6802
5.7448	3.9745	1.5500	1.3095	87.1416	105.1416
5.7418	3.9745	1.5500	1.3066	86.8868	104.8868
5.7018	3.9745	1.9214	1.3011	87.0955	105.0955
5.6768	3.9745	1.9214	1.5003	87.7654	105.7654

Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2016			2007		
	[1] Taxable Valuation	Rank	% of Total Twp Taxable Value	[1] Taxable Valuation	Rank	% of Total Twp Taxable Value
Hamptons of Cloverlane LLC	\$ 16,514,200	1	0.91%	\$ -	-	-
Tidon Valley Ranch Apartments	15,768,562	2	0.87%	-	-	-
Pines of Cloverlane LLC	15,437,674	3	0.85%	15,386,200	5	0.84%
DTE Electric Company	14,253,900	4	0.79%	12,510,733	6	0.68%
Meijer Inc.	14,240,180	5	0.78%	15,691,973	4	0.85%
Spicetree Apartment Properties	13,443,800	6	0.74%	-	-	-
Glencoe Hills LLC	13,160,861	7	0.73%	11,951,025	7	0.65%
Oak Valley Partner LLC	10,700,000	8	0.59%	-	-	-
Oak Valley Center LLC	10,072,641	9	0.56%	-	-	-
Waters Place LLC	9,682,750	10	0.53%	8,472,033	10	0.46%
CitiMortgage	-	-	-	19,972,720	1	1.09%
Highland Industrial Dev Co	-	-	-	19,298,217	2	1.05%
McMullen Properties	-	-	-	16,411,141	3	0.89%
National Amusements	-	-	-	10,724,548	8	0.58%
Airport Boulevard Associates	-	-	-	9,475,105	9	0.51%
	<u>\$ 133,274,568</u>		<u>7.35%</u>	<u>\$ 139,893,695</u>		<u>7.60%</u>

[1] Includes ad valorem and Industrial Facilities Tax properties.

Source: Pittsfield Charter Township Treasurer's Department

Property Tax Levies and Collections
Last Ten Years

(1) Fiscal Year Ended December 31,	(2) Taxies Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		(3) Delinquent Collections	Total Collections to Date	
		Amount	% of Levy		Amount	% of Levy
2007	\$ 9,024,153	\$ 8,598,583	95.28%	\$ 400,234	\$ 8,998,817	99.72%
2008	9,529,994	9,064,779	95.12%	411,262	9,476,041	99.43%
2009	9,400,448	8,895,990	94.63%	470,126	9,366,116	99.63%
2010	9,261,746	8,745,901	94.43%	482,575	9,228,476	99.64%
2011	8,985,189	8,594,157	95.65%	358,994	8,953,151	99.64%
2012	10,360,713	10,010,053	96.62%	320,524	10,330,577	99.71%
2013	10,889,827	10,485,003	96.28%	338,926	10,823,929	99.39%
2014	11,097,413	10,741,137	96.79%	317,544	11,058,681	99.65%
2015	11,553,223	11,240,899	97.30%	290,799	11,531,698	99.81%
2016	11,774,835	11,427,074	97.05%	324,602	11,751,676	99.80%

(1) Property taxes are levied July 1 of the current fiscal year based on taxable property values as of the preceding December 31. Unpaid property taxes become delinquent as of March 1 of the current fiscal year. The Township's delinquent real property taxes are purchased by Washtenaw County. Uncollected personal property taxes must be collected by the Township Treasurer.

(2) Includes Industrial Facility Tax.

(3) Includes settlement payment from Washtenaw County Treasurer's department for purchase of delinquent real property tax roll.

Source: Pittsfield Charter Township Treasurer's Department

PITTSFIELD CHARTER TOWNSHIP

Ratios of Outstanding Debt by Type Last Ten Years

	2007	2008	2009	2010
Governmental activities				
Installment notes	\$ 5,964,433	\$ 5,167,216	\$ 4,270,000	\$ 3,735,000
General obligation bonds	1,690,000	1,395,000	1,075,000	805,000
Special assessment debt	1,059,221	952,636	2,566,051	2,408,517
	<u>8,713,654</u>	<u>7,514,852</u>	<u>7,911,051</u>	<u>6,948,517</u>
Business-type activities				
General obligation bonds	<u>7,840,000</u>	<u>7,565,000</u>	<u>7,285,000</u>	<u>10,865,611</u>
Total outstanding debt	<u>\$ 16,553,654</u>	<u>\$ 15,079,852</u>	<u>\$ 15,196,051</u>	<u>\$ 17,814,128</u>
Total taxable value	\$1,832,050,183	\$1,821,789,953	\$1,780,702,342	\$1,726,850,356
Ratio of total debt to taxable value	0.90%	0.83%	0.85%	1.03%
Total population	34,276	34,191	34,509	34,663
Total debt per capita	\$ 483	\$ 441	\$ 440	\$ 514
% of personal income	1.24%	1.10%	1.16%	1.36%

Source: Pittsfield Charter Township Finance Department

Details regarding the Township's debt can be found in the notes to the financial statements.

Schedule 10
Unaudited

	2011	2012	2013	2014	2015	2016
\$	3,410,000	\$ 2,875,852	\$ 2,323,682	\$ 1,761,512	\$ 1,189,342	\$ 602,172
	540,000	380,000	220,000	60,000	-	-
	<u>2,245,986</u>	<u>2,083,454</u>	<u>1,915,922</u>	<u>1,698,144</u>	<u>1,613,266</u>	<u>1,546,579</u>
	6,195,986	5,339,306	4,459,604	3,519,656	2,802,608	2,148,751
	<u>10,483,466</u>	<u>10,217,580</u>	<u>9,717,080</u>	<u>9,281,080</u>	<u>8,825,080</u>	<u>7,811,080</u>
\$	<u>16,679,452</u>	<u>15,556,886</u>	<u>14,176,684</u>	<u>12,800,736</u>	<u>11,627,688</u>	<u>9,959,831</u>
	\$1,681,997,415	\$1,651,756,432	\$1,657,008,720	\$1,690,848,671	\$1,749,669,444	\$1,800,894,745
	0.99%	0.95%	0.86%	0.76%	0.66%	0.55%
	35,288	35,821	36,068	37,588	38,309	38,435
\$	473	\$ 436	\$ 393	\$ 341	\$ 304	\$ 259
	1.22%	1.06%	0.91%	0.78%	0.63%	0.50%

Ratios of Net General Bonded Debt Outstanding

Last Ten Years

Year	Net General Bonded Debt Outstanding					% of Total Personal Income	% of Actual Taxable Value of Property	Per Capita
	Governmental Activities		Business-type Activities	Amounts Available in Debt Service Funds	Total			
	Installment Obligations	General Obligation Bonds	General Obligation Bonds					
2016	\$ 602,172	\$ -	\$ 7,811,080	\$ (106,824)	\$ 495,348	0.03%	0.03%	\$ 12.89
2015	1,189,342	-	8,825,080	(104,445)	1,084,897	0.06%	0.06%	28.32
2014	1,761,512	60,000	9,281,080	(153,919)	1,607,593	0.10%	0.10%	42.77
2013	2,323,682	220,000	9,717,080	(232,547)	2,091,135	0.13%	0.12%	54.06
2012	2,875,852	380,000	10,217,580	(928,596)	1,947,256	0.13%	0.12%	54.06
2011	3,410,000	540,000	10,483,466	(988,535)	2,421,465	0.18%	0.14%	68.62
2010	3,735,000	805,000	10,865,611	(995,097)	2,739,903	0.21%	0.16%	79.04
2009	4,270,000	1,075,000	7,285,000	(1,062,490)	3,207,510	0.25%	0.18%	92.95
2008	5,167,216	1,395,000	7,565,000	(1,158,374)	4,008,842	0.29%	0.22%	117.25
2007	5,964,433	1,690,000	7,840,000	(1,130,355)	4,834,078	0.36%	0.26%	141.03

Source: Pittsfield Charter Township Finance Department

Details regarding the Township's debt can be found in the notes to the financial statements.

Computation of Net Direct and Overlapping Debt

As of December 31, 2016

	Gross Amount Outstanding	Self-Supporting or Paid by Benefited Entity	Net Amount Outstanding
Direct debt			
General obligation bonds and notes	\$ 8,411,080	\$ -	\$ 8,411,080
Special assessment bonds	1,517,442	1,517,442	-
Net direct debt	<u>\$ 9,928,522</u>	<u>\$ 1,517,442</u>	<u>8,411,080</u>
Overlapping debt			
School districts:			
Saline			47,998,201
Ann Arbor			24,823,470
Milan			9,412,724
Washtenaw County			4,420,876
Washtenaw Community College			1,476,794
Saline District Library			<u>466,856</u>
Net overlapping debt			<u>88,598,921</u>
Net direct and overlapping debt			<u>\$ 97,010,001</u>

Source: Municipal Advisory Council of Michigan

Overlapping Debt - The issuer's proportionate share of the debt of other local governmental units that either overlap it (the issuer is located either wholly or partly within the geographic limits of the other units) or underlie it (the other units are located within the geographic limits of the issuer). The debt is generally apportioned based upon relative Assessed Values.

The Assessed Values is the appraised worth of a property as set by a taxing authority for purposes of ad valorem taxation. The method of establishing assessed valuation varies from state to state. For example, in certain jurisdictions the assessed valuation is equal to the full or market value of the property; in other jurisdictions the assessed valuation is equal to a set percentage of full or market value.

Legal Debt Margin
Last Ten Years

Legal debt margin calculation for fiscal 2016

Assessed value (excluding IFT values)	<u>\$ 1,800,894,745</u>
Debt limit (10% of assessed value)	\$ 180,089,475
Less: net debt applicable to limit	<u>(8,411,080)</u>
Legal debt margin	<u>\$ 171,678,395</u>

Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to Limit as a Percentage of Debt Limit
2016	\$ 180,089,475	\$ 8,411,080	\$ 171,678,395	4.67%
2015	174,966,944	10,066,080	164,900,864	5.75%
2014	169,084,867	11,096,080	157,988,787	6.56%
2013	165,700,872	12,096,080	153,604,792	7.30%
2012	165,175,643	13,151,080	152,024,563	7.96%
2011	168,199,742	13,893,466	154,306,276	8.26%
2010	172,685,036	14,600,611	158,084,425	8.46%
2009	189,357,360	11,555,000	177,802,360	6.10%
2008	197,607,620	12,732,216	184,875,404	6.44%
2007	205,721,150	7,654,433	198,066,717	3.72%

Source: Pittsfield Charter Township Finance Department & Assessing Department

Demographic and Economic Statistics
Last Ten Years

Year	Population	(1) Total Personal Income (in thousands)	Per Capita Personal Income	Unemployment Rate
2016	38,435	\$ 1,975,559	\$ 51,400	3.00%
2015	38,309	1,852,815	48,365	3.30%
2014	37,588	1,651,128	43,927	4.50%
2013	36,068	1,558,210	43,202	5.40%
2012	35,821	1,462,249	40,821	5.30%
2011	35,288	1,370,057	38,825	6.10%
2010	34,663	1,312,307	37,859	7.60%
2009	34,509	1,306,476	37,859	7.80%
2008	34,191	1,365,178	39,928	5.40%
2007	34,276	1,332,308	38,870	4.50%

(1) Data specific for the Township is not available; accordingly, amount shown is calculated based on Township's population and per capita personal income for Washtenaw County.

Sources: Regional Economic Information System, Bureau of Economic Analysis,
U.S. Department of Commerce, Bureau of Economic Analysis

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Principal Employers

Current Year and Seven Years Ago [1]

Employer	Category	2016			2009		
		Employees	Rank	% of Total Township Employment	Employees	Rank	% of Total Township Employment
Thomson Reuters	Software/IT	1000+	1	6%	N/A	-	-
Huron Valley Correctional	Correctional Institutions	500-999	2	3%	250-499	3	3%
Extang Corp	Recreational Vehicle Dealers	250-499	3	2%	N/A	-	-
Meijer	Supermarket and other grocery stores	250-499	3	1%	500-999	1	4%
Saline High School	Elementary and secondary schools	250-499	3	1%	250-499	3	3%
Walmart Superstore	Department stores, except discounts	250-499	3	1%	N/A	-	-
A&D Technology	Testing apparatus manufacturers	100-249	8	1%	100-249	9	1%
Ann Arbor Hospice Residence	Nursing care facilities	100-249	8	1%	N/A	-	-
Arotech Corp	Miscellaneous electrical Equipment Mfg.	100-249	8	1%	N/A	-	-
AV Fuels	Aviation	100-249	8	1%	N/A	-	-
Costco	Warehouse clubs and supercenters	100-249	8	1%	N/A	-	-
FAAC Inc.	Engineering services	100-249	8	1%	N/A	-	-
Kroger	Supermarket and other grocery stores	100-249	8	1%	250-499	3	3%
Pittsfield Care LLC	Senior Community Living	100-249	8	1%	N/A	-	-
Target	Department stores, except discounts	100-249	8	1%	250-499	3	2%
Tecumseh Products	Other Electrical Components Mfg.	100-249	8	0%	100-249	9	1%
ANS Communications	Data Processing and related services	N/A	-	-	250-499	3	2%
Infra Source	Site preparation contractors	N/A	-	-	500-999	1	4%
Mobility Transportation	Special needs transportation	N/A	-	-	250-499	3	2%

[1] Data prior to 2009 is not readily available.

Source: Michigan Department of Energy, Labor and Economic Growth, Labor Market
Ann Arbor USA

PITTSFIELD CHARTER

Full Time Equivalent Governmental Employees by Function/Program

Last Ten Years

Function/Program	2007	2008	2009	2010	2011
General Government					
Supervisor	2	3	2	2	2
Clerk/Elections	5	5	5	6	5
Treasurer	5	4	4	4	4
Assessing	4	4	4	5	5
Finance	2	2	2	1	2
Administrative Services			2	2	1
Human Resources	2	1	-	-	1
Information Technology	1	1	1	1	1
Community Development	6	5	6	5	5
Building Safety	7	5	5	5	5
Public Safety					
Police	37	39	38	39	40
Fire	20	21	21	24	24
Dispatch/Clerical	12	12	13	11	12
Public Works					
Department of Public Works	12	10	11	9	9
Grounds Maintenance	-	-	-	-	-
Parks and recreation	10	10	10	10	10
Total	125	122	124	124	126

Source: Pittsfield Charter Township Finance Department

Schedule 16
Unaudited

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2012	2013	2014	2015	2016
2	2	2	2	2
5	4	5	5	5
4	5	5	5	5
5	4	4	4	4
2	2	2	3	3
1	1	1	2	2
1	2	2	2	2
1	1	1	1	1
5	8	7	7	7
5	5	5	7	5
42	41	36	38	39
24	24	25	25	26
10	11	11	14	10
8	10	10	10	12
-	-	3	3	3
10	10	8	9	8
<u>125</u>	<u>130</u>	<u>127</u>	<u>137</u>	<u>134</u>

PITTSFIELD CHARTER TOWNSHIP

Operating Indicators by Function/Program Last Ten Years

Function/Program	2007	2008	2009	2010	2011
Election data					
Registered voters	14,351	18,758	20,973	22,049	22,673
Voters (at the polls or absentee)	560	10,800	3,684	14,561	6,190
Percentage voting	3.90%	57.60%	17.60%	66.04%	27.30%
Police					
Traffic citations	3,573	2,943	3,364	2,975	2,564
Arrests	796	1,168	1,325	1,280	1,417
Calls for service	15,755	16,399	13,161	13,407	13,827
Fire					
Medical runs	1,155	1,248	1,342	1,383	1,426
Accident runs	511	487	520	482	523
Fire runs	430	377	360	352	130
Other calls for service	254	293	257	312	498

Source: Pittsfield Charter Township Clerk's Department
Pittsfield Charter Township Public Safety Department

Schedule 17
Unaudited



2012	2013	2014	2015	2016
23,878	24,878	23,151	23,211	25,535
16,367	1,939	9,921	4,974	19,590
68.54%	7.79%	42.85%	21.43%	76.72%
3,181	3,730	2,890	2,506	2,116
1,737	1,599	1,551	1,282	1,206
14,469	15,660	16,147	14,948	16,411
1,487	1,474	1,509	1,448	1,498
479	564	628	496	495
133	373	144	208	500
557	359	534	556	220

PITTSFIELD CHARTER

Capital Asset Statistics by Function/Program

Last Ten Years

Function/Program	2007	2008	2009	2010	2011
Police					
Police department building	1	1	1	1	1
Vehicle patrol units	26	28	26	26	26
Fire					
Number of stations	3	3	3	3	3
Fire units:					
Fire engines	3	3	3	4	4
Ladder trucks	2	2	2	2	2
Tanker trucks	1	1	1	1	1
Rescue vehicles	1	1	1	1	1
Brush trucks	1	1	1	1	1
Adm/Utility trucks	4	4	4	4	4
Public Works					
Sewer:					
Feet of sanitary mains	698,321	712,646	712,646	712,861	712,861
Water:					
Feet of water mains	949,870	968,718	969,827	970,230	972,442
Number of fire hydrants	2,164	2,232	2,240	2,244	2,249
Parks and Recreation					
Parks	14	14	14	14	16
Park acreage	1,004	1,004	1,004	1,004	1,032
Fishing docks	2	2	2	2	2
Play structures	10	10	10	10	11
Historical Farm	1	1	1	1	1
Community center	1	1	1	1	1
Tennis courts	4	4	4	4	4
Pavilions	7	7	7	7	7

Source: Pittsfield Charter Township

Schedule 18
Unaudited



2012	2013	2014	2015	2016
1	1	1	1	1
27	27	31	31	27
3	3	3	3	3
3	4	5	5	3
2	2	2	2	2
1	1	1	1	1
1	1	1	1	-
1	1	1	1	1
3	3	3	3	5
712,861	713,356	728,230	731,962	756,916
974,554	978,570	981,524	988,943	1,015,771
2,255	2,274	2,290	2,313	2,328
16	16	16	16	16
1,036	1,036	1,036	1,066	1,070
2	2	2	2	2
12	11	11	13	14
1	1	1	1	1
1	1	1	1	1
4	4	2	2	2
8	8	8	9	9

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